



March 15, 2024

The Honorable Marc Korman
Chair
Committee on Environment and Transportation
Room 251, House Office Building,
6 Bladen Street
Annapolis, MD

The Honorable C.T. Wilson
Chair
Committee on Economic Matters
Room 231, House Office Building,
6 Bladen Street
Annapolis, MD

Dear Delegate Korman and Delegate Wilson,

The undersigned organizations write to oppose HB 1215, which would levy a 50 cent fee on retail deliveries throughout Maryland. This fee would disproportionately burden the most vulnerable members of the state, from residents of food deserts, individuals with disabilities, and low-income families who depend on the convenience of delivery services.

For a growing number of Marylanders, delivery services have become a necessity. Between 2021 and 2022, 54 percent and 41 percent of adults surveyed nationwide reported they were likely to have frequently used an app to deliver food and groceries respectively,¹ and studies suggest the average order frequency for groceries will increase at a 12 percent annual rate over the next five years.²

For many already marginalized communities, affordable delivery services are critically important. Nearly 1 in 4 Baltimore residents live in a food desert.³ According to the U.S. Bureau of Labor Statistics, grocery prices in the Baltimore area increased 17% between July 2021 and July 2023, a price increase that coincided with an increase in calls for food

¹http://progresschamber.org/wp-content/uploads/2022/07/COP_Civic-Innovation_ANALYSIS.pdf

²<https://www.grocerydive.com/news/online-grocery-sales-will-increase-at-12-annual-rate-over-5-years-report/641578>

³<https://www.thebaltimorebanner.com/culture/food-drink/food-desert-grocery-shopping-H3LPQOZDARD6VNVIXSZET50EUU/>

assistance to United Way's 211 Maryland Helpline.⁴ For these residents, grocery and meal delivery services increase options for healthy, nutritious food.

Many people with disabilities who have difficulty shopping in-person also depend on delivery services for prescriptions, groceries, and household goods.⁵ According to the Bureau of Labor Statistics, only 22.5% of people with disabilities were employed last year.⁶ In Maryland, 50% of people with disabilities live below the ALICE Threshold of Financial Survival. Even among people with disabilities who are employed, 25% live below the ALICE threshold in Maryland.⁷ Low-income families across the board are also increasingly strained by the rising cost of food and other daily necessities.⁸ Increasing the cost of delivery services would further burden these families.

For all of these communities, increasing the cost of deliveries would threaten access to critical services.

Other states have faced fierce opposition from consumer advocates and small businesses after proposing similar fees. In Colorado, small businesses spoke out after the state implemented a 27 cent fee that increased prices and compliance costs.⁹ A coalition of AAPI, Hispanic, and LGBTQ+ Chambers of Commerce warned that a delivery fee in Minnesota would “scrap carefully balanced budgets” and push struggling families further behind.¹⁰ While New York faced a \$6.2 billion budget deficit last year, they abandoned a proposed delivery fee.¹¹ As New York Assemblymember Daniel Rosenthal said at the time, **“A regressive tax like this will do more harm than good. This cannot be allowed to gain a foothold”**.¹²

We strongly oppose HB 1215, which would disproportionately burden some of the most vulnerable Maryland residents. We urge you to heed the lessons of Colorado and Minnesota, and follow the example of New York by finding other ways to fund transportation improvements that do not threaten access to critical services.

Sincerely,

Chamber of Progress

⁴<https://www.baltimoresun.com/2023/08/16/rising-grocery-prices-food-stamp-cuts-and-summertime-amplify-hunger-in-baltimore-food-deserts/>

⁵ <https://www.ameridisability.com/home-delivery-services-serve-up-improved-accessibility-to-food-and-more/>

⁶ <https://www.bls.gov/news.release/disabl.nr0.htm#:~:text=Similarly%2C%20the%20employment%2Dpopulation%20ratio,the%20year%20at%203.5%20percent.>

⁷ <https://unitedwaynca.org/wp-content/uploads/2022/11/ALICE-in-Focus-Disabilities-Maryland.pdf>

⁸ <https://www.npr.org/2022/05/11/1097966775/inflation-poor-income-inequality-biden-federal-reserve>

⁹ https://denvergazette.com/news/business/confusion-swirls-as-colorado-imposes-new-retail-delivery-fee-catching-busineses-by-surprise/article_9adf61f4-fedd-11ec-a76c-d32b3bedaf4e.html

¹⁰ <https://files.constantcontact.com/9b4da02a001/d5089f08-ebab-4825-95d8-918295b0c3c2.pdf>

¹¹ <https://www.wbfo.org/state/2022-08-17/new-york-changes-forecast-on-budget-projects-deficit-next-fiscal-year>

¹² <https://twitter.com/DanRosenthalNYC/status/1636807862755237888>

DMV Black Restaurant Week

Greater Washington Hispanic Chamber of Commerce

National Alliance on Mental Illness Maryland

National Federation of the Blind of Maryland

People On the Go Maryland