

Chapter 480

(House Bill 264)

AN ACT concerning

~~Study Group to Investigate Discriminatory Practices Against Minority Franchisees~~

Task Force to Investigate the Challenges of and Opportunities for Minorities in Business

FOR the purpose of establishing the ~~Study Group to Investigate Discriminatory Practices Against Minority Franchisees~~ Task Force to Investigate the Challenges of and Opportunities for Minorities in Business; providing for the composition, chair, and staffing of the ~~Study Group~~ Task Force; prohibiting a member of the ~~Study Group~~ Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the ~~Study Group~~ Task Force to study and make recommendations regarding certain matters; requiring the ~~Study Group~~ Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the ~~Study Group to Investigate Discriminatory Practices Against Minority Franchisees~~ Task Force to Investigate the Challenges of and Opportunities for Minorities in Business.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) In this section, “minority” means an individual of African American, Hispanic, Native American, or Asian descent.

(b) There is a ~~Study Group to Investigate Discriminatory Practices Against Minority Franchisees~~ Task Force to Investigate the Challenges of and Opportunities for Minorities in Business.

(c) The ~~Study Group~~ Task Force consists of the following members:

- (1) one member of the Senate of Maryland, appointed by the President of the Senate;
- (2) one member of the House of Delegates, appointed by the Speaker of the House;
- (3) two members of the Legislative Black Caucus, appointed by the Chair of the Legislative Black Caucus;
- (4) the Attorney General, or the Attorney General’s designee;

(5) the Secretary of Labor, Licensing, and Regulation, or the Secretary's designee; ~~and~~

(6) ~~three individuals with expertise in matters relating to the franchisor-franchisee relationship in the State, appointed by the Governor~~ the Secretary of Commerce, or the Secretary's designee;

(7) the Special Secretary of the Governor's Office of Minority Affairs, or the Special Secretary's designee; and

(8) the following members, appointed by the Governor:

(i) a representative from a certified minority business enterprise that is at least 51% owned and controlled by minorities;

(ii) a representative from a certified minority business enterprise that is at least 51% owned and controlled by women;

(iii) an individual with expertise in matters relating to the franchisor-franchisee relationship in the State;

(iv) a representative from the Maryland Bankers Association;

(v) a representative from the Maryland Chamber of Commerce;

(vi) a representative from the Maryland District Office of the federal Small Business Administration; and

(vii) one member of the general public.

(d) The Governor shall designate the chair of the ~~Study Group~~ Task Force.

(e) ~~The Office of the Attorney General~~ Governor's Office of Minority Affairs shall provide staff for the ~~Study Group~~ Task Force.

(f) A member of the ~~Study Group~~ Task Force:

(1) may not receive compensation as a member of the ~~Study Group~~ Task Force, but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The ~~Study Group~~ Task Force shall:

~~(1) study reports of minority franchisee discrimination on the national level;~~

~~(2) study the franchisor-franchisee relationship in the State and investigate whether there is evidence or a pattern of discriminatory treatment of minority franchisees by their respective franchisors;~~

~~(3) investigate incidents of franchise closings in the State to determine if minority-owned franchises are shut down disproportionately as compared to nonminority-owned franchises;~~

~~(4) conduct hearings as considered appropriate; and~~

~~(5) in the event a pattern of discriminatory practices in the State is found, make recommendations regarding prevention, intervention, and enforcement strategies.~~

(1) investigate discriminatory practices against minority- and women-owned businesses, including:

(i) reports of minority- and women-owned franchisee discrimination on the national level;

(ii) the franchisor-franchisee relationship in the State and whether there is evidence or a pattern of discriminatory treatment of minority- and women-owned franchisees by their respective franchisors; and

(iii) incidents of franchise closings in the State to determine whether minority- and women-owned franchises are shut down disproportionately as compared to nonminority- and male-owned franchises;

(2) review, examine, and assess issues related to access to working capital for small, minority- and women-owned businesses, including potential airport concessionaires, in Maryland, including:

(i) the working capital needs by industry of those businesses;

(ii) the availability of working capital in the marketplace for, and any barriers encountered in gaining access to working capital in the marketplace by, those businesses; and

(iii) any resources available through the State to assist those businesses in gaining access to working capital, including technical assistance and training, financial assistance, and partnerships with other entities;

~~(3) study the employment of minorities and women under procurement contracts at Baltimore-Washington International Thurgood Marshall Airport, including:~~

~~(i) the working conditions and employment opportunities for employees employed by contractors under procurement contracts at Baltimore Washington International Thurgood Marshall Airport;~~

~~(ii) the level of compensation and other benefits paid to minorities and women as compared to other employees by contractors under procurement contracts at Baltimore Washington International Thurgood Marshall Airport; and~~

~~(iii) the participation of minorities and women with regard to the solicitation and award of procurement contracts at Baltimore Washington International Thurgood Marshall Airport;~~

~~(4) review, examine, and assess incentives for business entities that employ ex-felons, including:~~

~~(i) the best possible incentives to encourage business entities to employ ex-felons; and~~

~~(ii) the benefits and challenges associated with the long-term employment of ex-felons by business entities; and~~

~~(5) (4) conduct hearings as considered appropriate.~~

(h) On or before December 31, ~~2016, the Study Group~~ 2017, the Task Force shall report its findings and recommendations, including any recommended legislation to address the findings of the Task Force, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2016. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and, at the end of June 30, ~~2017~~ 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

**Approved by the Governor, May 10, 2016.**