

# HOUSE BILL 422

A1, D5  
HB 1333/20 – ECM

1lr1286  
CF SB 285

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By: **Delegate D. Barnes**

Introduced and read first time: January 15, 2021

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 1, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Minority Participation in the Alcoholic Beverages Industry – Study**

3 FOR the purpose of requiring the Governor’s Office of Small, Minority, and Women  
4 Business Affairs to conduct a certain study concerning the alcoholic beverages  
5 industry in the State; providing for the matters to be included in the study; requiring  
6 the Governors’ Office of Small, Minority, and Women Business Affairs to conduct the  
7 study in consultation and cooperation with certain agencies and interests; requiring  
8 the Office of the Attorney General and the Department of Transportation to provide  
9 staff for the study; requiring the Governor’s Office of Small, Minority, and Women  
10 Business Affairs to report its findings and recommendations to the Governor and the  
11 General Assembly on or before a certain date; providing for the termination of this  
12 Act; and generally relating to the alcoholic beverages industry and minority  
13 communities.

14 Preamble

15 WHEREAS, Since the end of Prohibition in 1933, the alcoholic beverages industry  
16 has been dominated by a small number of companies, particularly in the area of distilled  
17 spirits; and

18 WHEREAS, Although minorities, particularly Black Americans, constitute a  
19 considerable portion of the consumers of alcoholic beverages, they are underrepresented in  
20 the alcoholic beverages industry as manufacturers, distributors, and retailers; and

21 WHEREAS, Because of the sensitivity to community values and concerns that

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 belonging to a minority community brings to economic activity in the community,  
2 meaningful participation by minorities in the alcoholic beverages industry, particularly in  
3 the distribution and retail sectors, may provide a substantial benefit to minority  
4 communities and to the State at large; and

5 WHEREAS, Under federal precedent, state–encouraged participation in an industry  
6 through a set–aside or preference system requires demonstration of a disparity in the  
7 industry based on historical discrimination; now, therefore,

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

10 (a) The Governor’s Office of Small, Minority, and Women Business Affairs shall  
11 conduct a study of the participation of minority–owned businesses in the alcoholic  
12 beverages industry in the State.

13 (b) The study shall include:

14 (1) historical and current levels of participation by minority–owned  
15 businesses in the manufacturing, distributing, and retail sales tiers of the alcoholic  
16 beverages industry in the State;

17 (2) historical and current levels of market activity in retail sales of  
18 alcoholic beverages in the State, especially in areas with high concentrations of minority  
19 population;

20 (3) a demonstration of historical and current disparities in the levels of  
21 participation of minorities in the manufacturing, distributing, and retail sales tiers of the  
22 alcoholic beverages industry in the State through a commissioned and completed disparity  
23 study; and

24 (4) consideration and development of legally supportable mechanisms to  
25 increase the participation of minorities in each tier of the alcoholic beverages industry in  
26 the State by set–aside, by preference, by economic development assistance, or by other  
27 appropriate mechanisms.

28 (c) The Office shall conduct the study in consultation and cooperation with:

29 (1) the Office of the Attorney General;

30 (2) the Office of the Comptroller;

31 (3) the Executive Director of the Field Enforcement Division of the Alcohol  
32 and Tobacco Commission;

33 (4) the Department of Commerce;

1 (5) the Department of Transportation;

2 (6) local governments and local licensing boards, particularly from  
3 jurisdictions with substantial minority populations;

4 (7) representatives of the manufacturing, distributing, and retail sales  
5 tiers of the alcoholic beverages industry in the State; and

6 (8) representatives of minority communities in the State.

7 (d) The Office of the Attorney General and the Department of Transportation  
8 shall provide staff for the study.

9 (e) On or before January 1, 2022, the Governor’s Office of Small, Minority, and  
10 Women Business Affairs shall report its findings and recommendations to the Governor  
11 and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
13 1, 2021. It shall remain effective for a period of 1 year and 1 month and, at the end of June  
14 30, 2022, this Act, with no further action required by the General Assembly, shall be  
15 abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.