

HOUSE BILL 324

A1, D5
HB 422/21 – ECM

2lr0429
CF SB 72

By: **Delegates D. Barnes, Attar, Charles, Feldmark, Fennell, J. Lewis,
Palakovich Carr, Patterson, and Washington**

Introduced and read first time: January 19, 2022

Assigned to: Economic Matters

A BILL ENTITLED

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 study concerning the alcoholic beverages industry in
5 the State; requiring the Office of the Attorney General and the Department of
6 Transportation to provide staff for the study; and generally relating to the alcoholic
7 beverages industry and minority communities.

8 Preamble

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

12 WHEREAS, Although minorities, particularly black Americans, constitute a
13 considerable portion of the consumers of alcoholic beverages, they are underrepresented in
14 the alcoholic beverages industry as manufacturers, distributors, and retailers; and

15 WHEREAS, Because of the sensitivity to community values and concerns that
16 belonging to a minority community brings to economic activity in the community,
17 meaningful participation by minorities in the alcoholic beverages industry, particularly in
18 the distribution and retail sectors, may provide a substantial benefit to minority
19 communities and to the State at large; and

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Governor's Office of Small, Minority, and Women Business Affairs shall
2 conduct a study of the participation of minority-owned businesses in the alcoholic
3 beverages industry in the State.

4 (b) The study shall include:

5 (1) historical and current levels of participation by minority-owned
6 businesses in the manufacturing, distributing, and retail sales tiers of the alcoholic
7 beverages industry in the State;

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

11 (3) a demonstration of historical and current disparities in the levels of
12 participation of minorities in the manufacturing, distributing, and retail sales tiers of the
13 alcoholic beverages industry in the State through a commissioned and completed disparity
14 study; and

15 (4) consideration and development of legally supportable mechanisms to
16 increase the participation of minorities in each tier of the alcoholic beverages industry in
17 the State by set-aside, by preference, by economic development assistance, or by other
18 appropriate mechanisms.

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

20 (1) the Office of the Attorney General;

21 (2) the Office of the Comptroller;

22 (3) the Alcohol and Tobacco Commission;

23 (4) the Department of Commerce;

24 (5) the Department of Transportation;

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

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

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

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

1 (e) On or before January 1, 2023, the Governor's Office of Small, Minority, and
2 Women Business Affairs shall report its findings and recommendations to the Governor
3 and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
5 1, 2022. It shall remain effective for a period of 1 year and 1 month and, at the end of June
6 30, 2023, this Act, with no further action required by the General Assembly, shall be
7 abrogated and of no further force and effect.