

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

Committee Report: Favorable

House action: Adopted

Read second time: March 3, 2022

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 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

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

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

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

9 (b) The study shall include:

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

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

16 (3) a demonstration of historical and current disparities in the levels of
17 participation of minorities in the manufacturing, distributing, and retail sales tiers of the
18 alcoholic beverages industry in the State through a commissioned and completed disparity
19 study; and

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

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

25 (1) the Office of the Attorney General;

26 (2) the Office of the Comptroller;

27 (3) the Alcohol and Tobacco Commission;

28 (4) the Department of Commerce;

29 (5) the Department of Transportation;

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

32 (7) representatives of the manufacturing, distributing, and retail sales

1 tiers of the alcoholic beverages industry in the State; and

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

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2022. It shall remain effective for a period of 1 year and 1 month and, at the end of June
10 30, 2023, this Act, with no further action required by the General Assembly, shall be
11 abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.