

# SENATE BILL 542

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By: **Senators Charles, Muse, and Ellis**

Introduced and read first time: January 23, 2025

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages Industry – Study**

3 FOR the purpose of requiring the Governor’s Office of Small, Minority, and Women  
4 Business Affairs to contract with an independent consultant to conduct a certain  
5 study concerning the alcoholic beverages industry in the State; and generally  
6 relating to a study of the alcoholic beverages industry in the State.

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

9 (a) In this section, “Office” means the Governor’s Office of Small, Minority, and  
10 Women Business Affairs.

11 (b) The Office shall contract with an independent consultant to complete a study  
12 of the structure and composition of the distribution and retail sector of the alcoholic  
13 beverages industry in the State and to make recommendations on identifying and  
14 eliminating barriers to minority participation in that industry.

15 (c) The study shall include:

16 (1) current participation rates and data organized by racial and ethnic  
17 demographics for distributors and retailers;

18 (2) historical business participation rates and data organized by racial and  
19 ethnic demographics for distributors and retailers;

20 (3) the names and total numbers organized by racial and ethnic  
21 demographics of the following that are carried by, or do business with, each distributor and  
22 retailer:

23 (i) brands by name;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) brand owners;

2 (iii) distillers;

3 (iv) importers;

4 (v) manufacturers;

5 (vi) producers;

6 (vii) winemakers; and

7 (viii) creators of any product that contains alcohol, but is not  
8 specifically mentioned above;

9 (4) how the structure of the distribution and retail sector of the Maryland  
10 alcoholic beverages industry compares to similar structures in other licensing states;

11 (5) how the participation of businesses owned by different demographics in  
12 Maryland compares to the business participation in other states, where available; and

13 (6) areas that have potential discrimination within the industry that could  
14 warrant remedial action.

15 (d) The recommendations shall include:

16 (1) identifying barriers to participation within the distribution and retail  
17 sector tier of the alcoholic beverages industry;

18 (2) how the State can enhance business participation in the alcoholic  
19 beverages industry; and

20 (3) other data that may need to be collected or authorized to fully  
21 understand the opportunity of business enterprises to participate in the alcoholic beverages  
22 industry.

23 (e) The Office shall consult with the Office of the Attorney General, the  
24 Department of Transportation, and the Alcohol, Tobacco, and Cannabis Commission in  
25 developing the solicitation for an independent consultant under this section.

26 (f) (1) Each holder of a State or local alcoholic beverages license or permit  
27 must cooperate with the Office and the independent consultant in providing the following  
28 information:

29 (i) services provided by a wholesaler to a supplier or manufacturer  
30 in exchange for distribution rights within the State;

1 (ii) a list of suppliers that licensed wholesalers distribute on behalf  
2 of;

3 (iii) lists of brands sold within the State by each retailer, along with  
4 the demographics of the owner;

5 (iv) lists of brands distributed within the State by each wholesaler,  
6 along with the demographics of the owner;

7 (v) the percentage of wholesaler revenues for each brand owner  
8 account service; and

9 (vi) the percentage of retailer revenues for each brand owner.

10 (2) Each holder of a State or local alcoholic beverages license or permit, or  
11 applicant for a license or permit, shall cooperate with requests from the Office or the  
12 independent consultant and provide the requested information within 75 days after  
13 receiving the request.

14 (3) The Office of the Comptroller and each local licensing board shall  
15 cooperate with requests from the Office or the independent consultant and provide the  
16 requested information within 75 days after receiving the request.

17 (g) Information provided in accordance with this section by each holder of a State  
18 or local alcoholic beverages license or permit, or applicant for a license or permit:

19 (1) shall:

20 (i) constitute confidential commercial information and confidential  
21 financial information; and

22 (ii) be treated as confidential by the independent consultant and the  
23 State; and

24 (2) may be:

25 (i) used only for purposes authorized under this section; and

26 (ii) disclosed to the public only in an anonymized or aggregated  
27 format.

28 (h) On or before December 1, 2026, the Office shall submit the completed report  
29 and recommendations, along with any additional information the Office considers  
30 pertinent, to the Governor and, in accordance with § 2–1257 of the State Government  
31 Article, the General Assembly.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
2 1, 2025. It shall remain effective for a period of 2 years and 1 month and, at the end of June  
3 30, 2027, this Act, with no further action required by the General Assembly, shall be  
4 abrogated and of no further force and effect.