
March 5, 2021

The Honorable Paul G. Pinsky
Chair, Senate Education, Health, and Environmental Affairs Committee
2 West Miller Senate Office Building
Annapolis Maryland 21401

Re: Letter of Information - Senate Bill 285 - Minority Participation in the Alcoholic Beverages Industry – Study

Dear Senator Pinsky and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 285 but offers the following information for the Committee’s consideration.

The Maryland General Assembly established the State’s Minority Business Enterprise (MBE) Program in 1978. Periodically, the General Assembly has reenacted the law, but only after considering Disparity Studies in the utilization of minority and woman-owned firms in Maryland’s marketplace. Findings of the Disparity Study assess data on the existence, extent, and impact of discrimination, if any, against minority and woman-owned firms on contracting opportunities in the public and private sectors within and/or in the proximity of the State. The Disparity Study also analyzes the State’s contracting and procurement practices, determines availability and utilization of minority- and women-owned firms on the State’s contracting opportunities, and describes racial, ethnic, and gender disparities, if any. MDOT is responsible for implementing the State’s disparity studies.

Senate Bill 285 requires the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation and cooperation with other agencies and organizations, to conduct a study concerning minority-owned businesses in the alcoholic beverages industry in Maryland. The study must include: historical and current levels of participation by minority-owned businesses in the manufacturing, distributing, and retail sales tiers of the alcoholic beverages industry; market activity in retail sales of alcoholic beverages; a demonstration of historical and current disparities in the levels of participation of minorities in the manufacturing, distributing, and retail sales tiers of the alcoholic beverages industry; and consideration and development of legally supportable mechanisms to increase the participation of minorities in each tier of the alcoholic beverages industry. The Office of the Attorney General (OAG) and MDOT are to provide staff for the study.

In addition to the analysis completed in the Disparity Study described above, MDOT has been asked to perform disparity study analyses of specific private sector activity, such as the Video

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Lottery Terminals (Casinos), Off-Shore Wind, Medical Cannabis, and Sports Gaming. Historically, once MDOT has been provided with the industry specific data required to complete the analysis, the disparity analysis/evaluation would take anywhere from six to nine months to complete, exceeding the September 2021 due date.

Further, MDOT is currently in the process of procuring the State's next Disparity Study and expects the timeline required by Senate Bill 285, should it become law, to conflict with the timeline of the larger MBE Disparity Study, countering the State's MBE Program.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 285.

Respectfully submitted,

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Maryland Department of Transportation
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