

# SENATE BILL 72

A1, D5  
SB 285/21 – EHE

(PRE-FILED)

2lr0430  
CF 2lr0429

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By: **Senator Patterson**

Requested: September 1, 2021

Introduced and read first time: January 12, 2022

Assigned to: Education, Health, and Environmental Affairs

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## 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:

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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.