

February 18, 2025

The Honorable Pamela Beidle, Chairwoman Senate Finance Committee Room 3 E. Miller Senate Building Annapolis, Maryland 21401

Dear Madame Chair and Members of the Committee:

Re: FWA - SB 542 - Alcoholic Beverages Industry - Study

Dear Chairwoman Beidle Committee Members:

**Senate Bill 542** requires the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA) to contract with an independent consultant to complete a study of the structure and composition of the distribution and retail sector of the alcoholic beverages industry in the State and make recommendations on identifying and eliminating barriers to minority participation in that industry.

The Maryland Beer Wholesalers Association (MBWA) supports the study. MBWA participated in a similar study requested by the legislature in 2022, but we do have some concerns with the collection of certain data required under **Senate Bill 542** which we have discussed with Senator Charles.

Specifically, wholesalers do not know the demographics of the brand owners of the many products they distribute, so it would be unlikely a wholesaler could satisfy such a request (p.3 lines 5-6). The bill also requires disclosure of a wholesaler's percentage of revenue for each brand owner account service. It's unclear what policy goals this provision is intended to satisfy, who would provide this information, and how disclosure of this information would impact the current marketplace (p. 3 lines 7-8).

MBWA supports the goals of **Senate Bill 542** and looks forward to participating in the proposed study subject to the above concerns.

Sincerely,

Nicholas G. Manis Executive Director

CC: John Favazza