A1 5lr1704

By: Senators Charles, Muse, and Ellis

Introduced and read first time: January 23, 2025

Assigned to: Finance

## A BILL ENTITLED

1	AN	ACT	concerning

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## Alcoholic Beverages Industry - Study

- FOR the purpose of requiring the Governor's Office of Small, Minority, and Women Business Affairs to contract with an independent consultant to conduct a certain study concerning the alcoholic beverages industry in the State; and generally 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 demographics for distributors and retailers;
- 18 (2) historical business participation rates and data organized by racial and 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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(i)

in exchange for distribution rights within the State;

1		(ii)	brand owners;			
2		(iii)	distillers;			
3		(iv)	importers;			
4		(v)	manufacturers;			
5		(vi)	producers;			
6		(vii)	winemakers; and			
7 8	specifically mention		creators of any product that contains alcohol, but is not pove;			
9 10	(4) alcoholic beverage		the structure of the distribution and retail sector of the Maryland stry compares to similar structures in other licensing states;			
11 12	(5) how the participation of businesses owned by different demographics in Maryland compares to the business participation in other states, where available; and					
13 14	(6) areas that have potential discrimination within the industry that could warrant remedial action.					
15	(d) The r	ecomm	nendations shall include:			
16 17	(1) sector tier of the a		ifying barriers to participation within the distribution and retail beverages industry;			
18 19	(2) beverages industry	_	the State can enhance business participation in the alcoholic			
20 21 22	(3) understand the oppindustry.		data that may need to be collected or authorized to fully ity of business enterprises to participate in the alcoholic beverages			
23 24 25	Department of Tr	anspor	shall consult with the Office of the Attorney General, the tation, and the Alcohol, Tobacco, and Cannabis Commission in n for an independent consultant under this section.			
26 27 28	(f) (1) must cooperate wi information:		holder of a State or local alcoholic beverages license or permit Office and the independent consultant in providing the following			

services provided by a wholesaler to a supplier or manufacturer

1 2	of;	(ii)	a list of suppliers that licensed wholesalers distribute on behalf		
3 4	the demographics	(iii) of the	lists of brands sold within the State by each retailer, along with owner;		
5 6	along with the de	(iv) mograp	lists of brands distributed within the State by each wholesaler, thics of the owner;		
7 8	account service; a	(v) nd	the percentage of wholesaler revenues for each brand owner		
9		(vi)	the percentage of retailer revenues for each brand owner.		
10 11 12 13	(2) Each holder of a State or local alcoholic beverages license or permit, or applicant for a license or permit, shall cooperate with requests from the Office or the independent consultant and provide the requested information within 75 days after receiving the request.				
14 15 16	(3) The Office of the Comptroller and each local licensing board shall cooperate with requests from the Office or the independent consultant and provide the requested information within 75 days after receiving the request.				
17 18	(g) Information provided in accordance with this section by each holder of a State or local alcoholic beverages license or permit, or applicant for a license or permit:				
19	(1)	shall			
20 21	financial informat	(i) tion; an	constitute confidential commercial information and confidential		
22 23	State; and	(ii)	be treated as confidential by the independent consultant and the		
24	(2)	may	be:		
25		(i)	used only for purposes authorized under this section; and		
26 27	format.	(ii)	disclosed to the public only in an anonymized or aggregated		
28 29 30 31	(h) On or before December 1, 2026, the Office shall submit the completed report and recommendations, along with any additional information the Office considers pertinent, to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.				

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