

HOUSE BILL 1333

A1, D5

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By: **Delegate D. Barnes**

Introduced and read first time: February 7, 2020

Assigned to: Economic Matters

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 certain study concerning the alcoholic beverages
5 industry in the State; providing for the matters to be included in the study; requiring
6 the Governors’ Office of Small, Minority, and Women Business Affairs to conduct the
7 study in consultation and cooperation with certain agencies and interests; requiring
8 the Office of the Attorney General to provide staff for the study; requiring the
9 Governor’s Office of Small, Minority, and Women Business Affairs to report its
10 findings and recommendations to the Governor and the General Assembly on or
11 before a certain date; providing for the termination of this Act; and generally relating
12 to the alcoholic beverages industry and minority communities.

13 Preamble

14 WHEREAS, Since the end of Prohibition in 1933, the alcoholic beverages industry
15 has been dominated by a small number of companies, particularly in the area of distilled
16 spirits; and

17 WHEREAS, Although minorities, particularly African Americans, constitute a
18 considerable portion of the consumers of alcoholic beverages, they are underrepresented in
19 the alcoholic beverages industry as manufacturers, distributors, and retailers; and

20 WHEREAS, Because of the sensitivity to community values and concerns that
21 belonging to a minority community brings to economic activity in the community,
22 meaningful participation by minorities in the alcoholic beverages industry, particularly in
23 the distribution and retail sectors, may provide a substantial benefit to minority
24 communities and to the State at large; and

25 WHEREAS, Under federal precedent, state–encouraged participation in an industry
26 through a set–aside or preference system requires demonstration of a disparity in the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 industry based on historical discrimination; now, therefore,

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
3 That:

4 (a) The Governor's Office of Small, Minority, and Women Business Affairs shall
5 conduct a study of the participation of minority-owned businesses in the alcoholic
6 beverages industry in the State.

7 (b) The study shall include:

8 (1) historical and current levels of participation by minority-owned
9 businesses in the manufacturing, distributing, and retail sales tiers of the alcoholic
10 beverages industry in the State;

11 (2) historical and current levels of market activity in retail sales of
12 alcoholic beverages in the State, especially in areas with high concentrations of minority
13 population;

14 (3) a demonstration of historical and current disparities in the levels of
15 participation of minorities in the manufacturing, distributing, and retail sales tiers of the
16 alcoholic beverages industry in the State through a commissioned and completed disparity
17 study; and

18 (4) consideration and development of legally supportable mechanisms to
19 increase the participation of minorities in each tier of the alcoholic beverages industry in
20 the State by set-aside, by preference, by economic development assistance, or by other
21 appropriate mechanisms.

22 (c) The Office shall conduct the study in consultation and cooperation with:

23 (1) the Office of the Attorney General;

24 (2) the Office of the Comptroller;

25 (3) the Executive Director of the Field Enforcement Division of the Alcohol
26 and Tobacco Commission;

27 (4) the Department of Commerce;

28 (5) local governments and local licensing boards, particularly from
29 jurisdictions with substantial minority populations;

30 (6) representatives of the manufacturing, distributing, and retail sales
31 tiers of the alcoholic beverages industry in the State; and

32 (7) representatives of minority communities in the State.

1 (d) The Office of the Attorney General shall provide staff for the study.

2 (e) On or before January 1, 2021, the Governor's Office of Small, Minority, and
3 Women Business Affairs shall report its findings and recommendations to the Governor
4 and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
6 1, 2020. It shall remain effective for a period of 1 year and 1 month and, at the end of June
7 30, 2021, this Act, with no further action required by the General Assembly, shall be
8 abrogated and of no further force and effect.