

# HOUSE BILL 264

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By: Delegates B. Robinson, A. Washington, Glenn, Anderson, Angel, Atterbearly, D. Barnes, Barron, Branch, Brooks, Carr, Carter, Conaway, Davis, Fennell, Gaines, Hayes, Haynes, Hill, Holmes, C. Howard, Jackson, Jones, Knotts, McCray, Moon, Oaks, Patterson, Pena-Melnyk, Proctor, Sample-Hughes, Smith, Sydnor, Tarlau, Turner, Vaughn, Walker, M. Washington, ~~and C. Wilson~~ C. Wilson, Jalisi, Krimm, Lisanti, Morales, Morhaim, Platt, and Queen

Introduced and read first time: January 25, 2016

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Study Group to Investigate Discriminatory Practices Against Minority~~  
3 ~~Franchisees~~

4 Task Force to Investigate the Challenges of and Opportunities for Minorities in  
5 Business

6 FOR the purpose of establishing the ~~Study Group to Investigate Discriminatory Practices~~  
7 ~~Against Minority Franchisees~~ Task Force to Investigate the Challenges of and  
8 Opportunities for Minorities in Business; providing for the composition, chair, and  
9 staffing of the ~~Study Group~~ Task Force; prohibiting a member of the ~~Study Group~~  
10 Task Force from receiving certain compensation, but authorizing the reimbursement  
11 of certain expenses; requiring the ~~Study Group~~ Task Force to study and make  
12 recommendations regarding certain matters; requiring the ~~Study Group~~ Task Force  
13 to report its findings and recommendations to the Governor and the General  
14 Assembly on or before a certain date; providing for the termination of this Act; and  
15 generally relating to the ~~Study Group to Investigate Discriminatory Practices~~  
16 ~~Against Minority Franchisees~~ Task Force to Investigate the Challenges of and  
17 Opportunities for Minorities in Business.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 (a) In this section, “minority” means an individual of African American, Hispanic,  
4 Native American, or Asian descent.

5 (b) There is a ~~Study Group to Investigate Discriminatory Practices Against~~  
6 ~~Minority Franchisees~~ Task Force to Investigate the Challenges of and Opportunities for  
7 Minorities in Business.

8 (c) The ~~Study Group~~ Task Force consists of the following members:

9 (1) one member of the Senate of Maryland, appointed by the President of  
10 the Senate;

11 (2) one member of the House of Delegates, appointed by the Speaker of the  
12 House;

13 (3) two members of the Legislative Black Caucus, appointed by the Chair  
14 of the Legislative Black Caucus;

15 (4) the Attorney General, or the Attorney General’s designee;

16 (5) the Secretary of Labor, Licensing, and Regulation, or the Secretary’s  
17 designee; ~~and~~

18 (6) ~~three individuals with expertise in matters relating to the~~  
19 ~~franchisor–franchisee relationship in the State, appointed by the Governor~~ the Secretary  
20 of Commerce, or the Secretary’s designee;

21 (7) the Special Secretary of the Governor’s Office of Minority Affairs, or the  
22 Special Secretary’s designee; and

23 (8) the following members, appointed by the Governor:

24 (i) a representative from a certified minority business enterprise  
25 that is at least 51% owned and controlled by minorities;

26 (ii) a representative from a certified minority business enterprise  
27 that is at least 51% owned and controlled by women;

28 (iii) an individual with expertise in matters relating to the  
29 franchisor–franchisee relationship in the State;

30 (iv) a representative from the Maryland Bankers Association;

31 (v) a representative from the Maryland Chamber of Commerce;

1                   (vi) a representative from the Maryland District Office of the federal  
2 Small Business Administration; and

3                   (vii) one member of the general public.

4           (d)     The Governor shall designate the chair of the ~~Study Group~~ Task Force.

5           (e)     The ~~Office of the Attorney General~~ Governor's Office of Minority Affairs shall  
6 provide staff for the ~~Study Group~~ Task Force.

7           (f)     A member of the ~~Study Group~~ Task Force:

8                   (1)     may not receive compensation as a member of the ~~Study Group~~ Task  
9 Force, but

10                  (2)     is entitled to reimbursement for expenses under the Standard State  
11 Travel Regulations, as provided in the State budget.

12           (g)     The ~~Study Group~~ Task Force shall:

13                   ~~(1)     study reports of minority franchisee discrimination on the national~~  
14 ~~level;~~

15                   ~~(2)     study the franchisor-franchisee relationship in the State and~~  
16 ~~investigate whether there is evidence or a pattern of discriminatory treatment of minority~~  
17 ~~franchisees by their respective franchisors;~~

18                   ~~(3)     investigate incidents of franchise closings in the State to determine if~~  
19 ~~minority-owned franchises are shut down disproportionately as compared to~~  
20 ~~nonminority-owned franchises;~~

21                   ~~(4)     conduct hearings as considered appropriate; and~~

22                   ~~(5)     in the event a pattern of discriminatory practices in the State is found,~~  
23 ~~make recommendations regarding prevention, intervention, and enforcement strategies.~~

24                   (1)     investigate discriminatory practices against minority- and  
25 women-owned businesses, including:

26                           (i)     reports of minority- and women-owned franchisee  
27 discrimination on the national level;

28                           (ii)    the franchisor-franchisee relationship in the State and whether  
29 there is evidence or a pattern of discriminatory treatment of minority- and women-owned  
30 franchisees by their respective franchisors; and

1                   (iii) incidents of franchise closings in the State to determine whether  
2 minority- and women-owned franchises are shut down disproportionately as compared to  
3 nonminority- and male-owned franchises;

4                   (2) review, examine, and assess issues related to access to working capital  
5 for small, minority- and women-owned businesses, including potential airport  
6 concessionaires, in Maryland, including:

7                   (i) the working capital needs by industry of those businesses;

8                   (ii) the availability of working capital in the marketplace for, and  
9 any barriers encountered in gaining access to working capital in the marketplace by, those  
10 businesses; and

11                   (iii) any resources available through the State to assist those  
12 businesses in gaining access to working capital, including technical assistance and training,  
13 financial assistance, and partnerships with other entities;

14                   (3) study the employment of minorities and women under procurement  
15 contracts at Baltimore-Washington International Thurgood Marshall Airport, including:

16                   (i) the working conditions and employment opportunities for  
17 employees employed by contractors under procurement contracts at  
18 Baltimore-Washington International Thurgood Marshall Airport;

19                   (ii) the level of compensation and other benefits paid to minorities  
20 and women as compared to other employees by contractors under procurement contracts at  
21 Baltimore-Washington International Thurgood Marshall Airport; and

22                   (iii) the participation of minorities and women with regard to the  
23 solicitation and award of procurement contracts at Baltimore-Washington International  
24 Thurgood Marshall Airport;

25                   (4) review, examine, and assess incentives for business entities that  
26 employ ex-felons, including:

27                   (i) the best possible incentives to encourage business entities to  
28 employ ex-felons; and

29                   (ii) the benefits and challenges associated with the long-term  
30 employment of ex-felons by business entities; and

31                   (5) conduct hearings as considered appropriate.

32                   (h) On or before December 31, ~~2016, the Study Group~~ 2017, the Task Force shall  
33 report its findings and recommendations, including any recommended legislation to

1 address the findings of the Task Force, to the Governor and, in accordance with § 2-1246  
2 of the State Government Article, the General Assembly.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
4 1, 2016. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and, at the end  
5 of June 30, ~~2017~~ 2018, with no further action required by the General Assembly, this Act  
6 shall be abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.