

Chapter 749

(House Bill 324)

AN ACT concerning

Minority Participation in the Alcoholic Beverages Industry – Study

FOR the purpose of requiring the Governor’s Office of Small, Minority, and Women Business Affairs to conduct a study concerning the alcoholic beverages industry in the State; requiring the Office of the Attorney General and the Department of Transportation to provide staff for the study; and generally relating to the alcoholic beverages industry and minority communities.

Preamble

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

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

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

WHEREAS, Under federal precedent, state–encouraged participation in an industry through a set–aside or preference system requires demonstration of a disparity in the industry based on historical discrimination; now, therefore,

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

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

(b) The study shall include:

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

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

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

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

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

(1) the Office of the Attorney General;

(2) the Office of the Comptroller;

(3) the Alcohol and Tobacco Commission;

(4) the Department of Commerce;

(5) the Department of Transportation;

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

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

(8) representatives of minority communities in the State.

(d) The Office of the Attorney General and the Department of Transportation shall provide staff for the study.

(e) On or before January 1, 2023, the Governor's Office of Small, Minority, and Women Business Affairs shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2022. It shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2023, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 29, 2022.