

HB1000/223429/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1000
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 12, after “the” insert “Comptroller and”; in the same line, after “to” insert “dispose of or destroy seized contraband; authorizing, rather than requiring, the Comptroller and the Executive Director to”; in line 14, after “auctions;” insert “requiring the Governor’s Office of Small, Minority, and Women Business Affairs to contract with a third party to conduct a certain study concerning the alcoholic beverages industry in the State;”; in line 22, after “16–308.3,” insert “16.5–208(a)(5) and (6).”; in the same line, after “16.5–217.1,” insert “16.7–207(a)(5) and (6).”; and after line 24, insert:

“BY adding to

Article - Business Regulation

Section 16.5-208(a)(7) and 16.7-207(a)(7)

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)”.

AMENDMENT NO. 2

On page 3, after line 16, insert:

“**(K) A HOLDER OF A COMMON CARRIER PERMIT MAY NOT REQUIRE A SIGNATURE FOR A SHIPMENT DELIVERED TO A LICENSED TOBACCONIST.**”;

in line 18, strike “A” and substitute “**EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A**”; and after line 25, insert:

“**(C) A COMMON CARRIER FOR PREMIUM CIGARS AND PIPE TOBACCO MAY ELECT NOT TO REPORT AS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION**”

IF THE COMMON CARRIER COMPLIES WITH THE DELIVERY REQUIREMENTS UNDER § 2-151(E) OF THIS SUBTITLE.”.

On page 4, in line 21, after “ARTICLE” insert “, **ON A FINDING BY THE APPROPRIATE LOCAL ADMINISTRATIVE OFFICER OR UNIT RESPONSIBLE FOR ZONING ENFORCEMENT**”; and after line 29, insert:

“16.5-208.

(a) Subject to the hearing provisions of § 16.5-209 of this subtitle, the Executive Director may deny a license to an applicant, reprimand a licensee, or suspend or revoke a license if the applicant or licensee:

(5) violates Title 12 of the Tax – General Article or regulations adopted under that title; [or]

(6) violates this title or Title 16 of this article or regulations adopted under these titles; OR

(7) **USES THE LICENSED PREMISES IN A MANNER THAT DOES NOT CONFORM TO ALL ZONING LAWS, REGULATIONS, OR ORDINANCES ADOPTED IN ACCORDANCE WITH THE LAND USE ARTICLE, ON A FINDING BY THE APPROPRIATE LOCAL ADMINISTRATIVE OFFICER OR UNIT RESPONSIBLE FOR ZONING ENFORCEMENT.”.**

On page 5, after line 7, insert:

“(C) DURING AN INSPECTION OR SEARCH UNDER THIS SECTION, A PREMIUM CIGAR OR PIPE TOBACCO LICENSED RETAILER IS NOT SUBJECT TO SEIZURE WITHOUT A WARRANT.

16.7-207.

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(a) Subject to the hearing provisions of § 16.7–208 of this subtitle, the Executive Director may deny a license to an applicant, reprimand a licensee, or suspend or revoke a license if the applicant or licensee:

(5) violates federal, State, or local law regarding the sale of electronic smoking devices; [or]

(6) violates this title, Title 16, or Title 16.5 of this article or regulations adopted under these titles; OR

(7) USES THE LICENSED PREMISES IN A MANNER THAT DOES NOT CONFORM TO ALL ZONING LAWS, REGULATIONS, OR ORDINANCES ADOPTED IN ACCORDANCE WITH THE LAND USE ARTICLE, ON A FINDING BY THE APPROPRIATE LOCAL ADMINISTRATIVE OFFICER OR UNIT RESPONSIBLE FOR ZONING ENFORCEMENT.”.

On page 8, in line 13, strike “shall sell” and substitute “MAY DISPOSE OF OR DESTROY”; and in line 14, after “forfeited” insert “, OR MAY SELL THE CONTRABAND TOBACCO PRODUCTS”.

AMENDMENT NO. 3

On page 9, after line 13, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) In this section, “Office” means the Governor’s Office of Small, Minority, and Women Business Affairs.

(b) The Office shall contract with an independent consultant to complete a study of the structure and composition of the wholesale and distribution sector of the alcoholic beverages industry in the State and to make recommendations on identifying and eliminating barriers to minority participation in that industry.

(c) The study shall include:

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- (1) current minority-owned business participation rates and data;
 - (2) historical minority-owned business participation rates and data;
 - (3) how the structure of the wholesale and distribution sector of the Maryland alcoholic beverages industry compares to similar structures in other licensing states;
 - (4) how the participation of minority-owned businesses in Maryland compares to minority-owned business participation in other states, where available; and
 - (5) information about the procedures by which applicants procure exclusive contracts to provide alcoholic beverage service for product brands within the State.
- (d) The recommendations shall include:
- (1) identifying barriers to minority participation within the distribution tier of the alcoholic beverages industry;
 - (2) how the State can enhance minority-owned business participation in the alcoholic beverage wholesalers and distribution industry;
 - (3) other data that may need to be collected or authorized to fully understand the opportunity of minority business enterprises to participate in the alcoholic beverage distribution industry; and
 - (4) whether a disparity study of authorization and utilization can and should be conducted to identify potential discrimination within the industry that could warrant remedial action.

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(e) The Office shall consult with the Office of the Attorney General, the Department of Transportation, and the Alcohol and Tobacco Commission in developing the solicitation for an independent consultant under this section.

(f) (1) Each holder of a State or local alcoholic beverages license or permit must cooperate with the Office and the independent consultant in providing the following information:

(i) services provided by a wholesaler to a supplier or manufacturer in exchange for distribution rights within the State;

(ii) a list of suppliers that licensed wholesalers distribute on behalf of;

(iii) lists of brands distributed within the State by each wholesaler; and

(iv) the percentage of wholesaler revenues for each brand owner account service.

(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.

(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.

(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:

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(1) shall:

(i) constitute confidential commercial information and confidential financial information; and

(ii) be treated as confidential by the independent consultant and the State; and

(2) may be:

(i) used only for purposes authorized under this section; and

(ii) disclosed to the public only in an anonymized or aggregated format.

(h) On or before December 1, 2024, 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.”;

and in line 14, strike “2.” and substitute “3.”.