

Legacy SB 285 - Letter of Support (003).pdf

Uploaded by: Boyd, Gerald

Position: FAV



LEGACY PARTNERS
Distribution, LLC

FAVORABLE Support of Senate Bill 285:
March 5, 2021

Minority Participation in the Alcoholic Beverages Industry - Study

Greetings Chairman Pinsky, Vice-Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee:

Thank you for the opportunity to testify to Senate Bill 285. I am Gerald Boyd, President Emeritus of DB Consulting Group, Inc., a government contracting business my son and I established in Maryland in 2000. Today we have more than 300 employees. Seven years ago, I started a new business in Maryland, Legacy Partners Distribution, LLC. As the business owner, I received federal and state licensing to operate a liquor wholesale distribution business in Maryland and I hired staff, leased warehouse space, and procured contracts to distribute several brands of liquor.

Nearly 88 years since the end of Prohibition in 1933, a major disparity exists in Maryland in the liquor industry as African Americans and other minorities are still grossly underrepresented. Maryland's regulatory approach to alcohol sales is the three-tier system which is consistent with the nationwide regulatory approach. The three-tiered system is comprised of (1) the supplier tier, (2) the wholesale distributor tier, and (3) the retailer tier. I would like to note that the level of underrepresentation in tier (2), the wholesale distributor tier, is such that African Americans and other minorities are virtually non-existent.

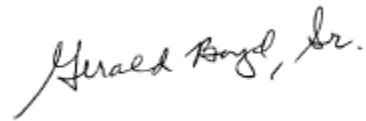
Relative to this, for the past three years I have tried to supply products to the casinos in Maryland, specifically at the Horseshoe casino in Baltimore City, the Maryland Live casino in Anne Arundel County, and the MGM casino in Prince George's County. Maryland casino licenses require that at least 29 percent of a casino's purchases of goods and services be made with a minority-owned business if one exists. Given that the three casinos named hadn't met that 29 percent participation requirement, my minority-owned liquor wholesale distribution business should have been utilized to help meet that requirement, especially given that I am the only African American-owned liquor wholesale distributor licensed in the state of Maryland. Specifically, over the last three years these casinos have ordered almost 200 cases of liquor from Legacy, by comparison, they have ordered at least 31,000 cases of liquor from the other wholesale distributors over the last three years. This highlights the disparity.

This appears to be a statewide issue as it apparent that my minority-owned business does not have equal access to compete for the liquor wholesale distribution business at the Horseshoe, Maryland Live and MGM casinos, which are in three different jurisdictions within the state.

Today, this industry is dominated by a handful of wholesale distribution companies who refer to themselves as “family owned businesses“. They have made billions of dollars in generational wealth since the end of prohibition in 1933. To this point, a review of the current websites for the three (3) largest liquor wholesale distribution companies will reveal that their combined revenue in 2020 alone was over \$30 billion. Without a study to confirm the magnitude of the disparity that has existed since prohibition ended, the large wholesale distributors will continue to conduct business unaware that there is a major disparity, although they are fully aware that a significant percentage of their revenue and customer base comes from African American and other minority populations.

This study is needed to confirm the existence of this egregious disparity and I favorably support the passage of Senate Bill 285.

Respectfully,

A handwritten signature in cursive script that reads "Gerald Boyd, Sr.".

Gerald Boyd Sr.
President/CEO
Legacy Partners Distribution, LLC.

MDOT - 18-496
PGC SDDD MBE - 18-13371
PGC SDDD CLB - CLBC-16-045

SB0285 - Minority Participation in the Alcoholic B

Uploaded by: MANIS, NICK

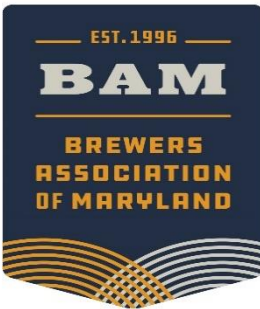
Position: FAV



Maryland State Licensed
Beverage Association



LICENSED BEVERAGE DISTRIBUTORS OF MARYLAND



DATE: March 5, 2021
TO: Senate Education, Health and Environmental Affairs Committee
FROM: Above Organizations
RE: SUPPORT – Senate Bill 285 – Minority Participation in the Alcoholic Beverage Industry - Study

The organizations listed above, comprising Maryland-based manufacturers, Maryland-based wholesalers, and Maryland retailers, support Senate Bill 285.

Senate Bill 285 calls for a study of minority participation levels in the alcoholic beverage industry. Collectively, the industry believes that a study of this nature is important and may help identify ways that minority businesses can develop a larger presence in the industry. Our organizations look forward to participating in this effort.

For the reasons set forth above, we support Senate Bill 285 and ask that this Committee give the legislation a favorable report.

SB0285_FAV_Minority Participation in the Alcoholic

Uploaded by: Wise, Steve

Position: FAV



Maryland State Licensed
Beverage Association



LICENSED BEVERAGE DISTRIBUTORS OF MARYLAND



DATE: March 5, 2021
TO: Senate Education, Health and Environmental Affairs Committee
FROM: Above Organizations
RE: SUPPORT – Senate Bill 285 – Minority Participation in the Alcoholic Beverage Industry - Study

The organizations listed above, comprising Maryland-based manufacturers, Maryland-based wholesalers, and Maryland retailers, support Senate Bill 285.

Senate Bill 285 calls for a study of minority participation levels in the alcoholic beverage industry. Collectively, the industry believes that a study of this nature is important and may help identify ways that minority businesses can develop a larger presence in the industry. Our organizations look forward to participating in this effort.

For the reasons set forth above, we support Senate Bill 285 and ask that this Committee give the legislation a favorable report.

SB0285 - SMBP - Alcoholic Beverages Industry - LOI

Uploaded by: Westervelt, Patricia

Position: INFO

March 5, 2021

The Honorable Paul G. Pinsky
Chair, Senate Education, Health, and Environmental Affairs Committee
2 West Miller Senate Office Building
Annapolis Maryland 21401

Re: Letter of Information - Senate Bill 285 - Minority Participation in the Alcoholic Beverages Industry – Study

Dear Senator Pinsky and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 285 but offers the following information for the Committee's consideration.

The Maryland General Assembly established the State's Minority Business Enterprise (MBE) Program in 1978. Periodically, the General Assembly has reenacted the law, but only after considering Disparity Studies in the utilization of minority and woman-owned firms in Maryland's marketplace. Findings of the Disparity Study assess data on the existence, extent, and impact of discrimination, if any, against minority and woman-owned firms on contracting opportunities in the public and private sectors within and/or in the proximity of the State. The Disparity Study also analyzes the State's contracting and procurement practices, determines availability and utilization of minority- and women-owned firms on the State's contracting opportunities, and describes racial, ethnic, and gender disparities, if any. MDOT is responsible for implementing the State's disparity studies.

Senate Bill 285 requires the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation and cooperation with other agencies and organizations, to conduct a study concerning minority-owned businesses in the alcoholic beverages industry in Maryland. The study must include: historical and current levels of participation by minority-owned businesses in the manufacturing, distributing, and retail sales tiers of the alcoholic beverages industry; market activity in retail sales of alcoholic beverages; 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; and consideration and development of legally supportable mechanisms to increase the participation of minorities in each tier of the alcoholic beverages industry. The Office of the Attorney General (OAG) and MDOT are to provide staff for the study.

In addition to the analysis completed in the Disparity Study described above, MDOT has been asked to perform disparity study analyses of specific private sector activity, such as the Video

The Honorable Paul G. Pinsky
Page Two

Lottery Terminals (Casinos), Off-Shore Wind, Medical Cannabis, and Sports Gaming. Historically, once MDOT has been provided with the industry specific data required to complete the analysis, the disparity analysis/evaluation would take anywhere from six to nine months to complete, exceeding the September 2021 due date.

Further, MDOT is currently in the process of procuring the State's next Disparity Study and expects the timeline required by Senate Bill 285, should it become law, to conflict with the timeline of the larger MBE Disparity Study, countering the State's MBE Program.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 285.

Respectfully submitted,

Melissa Einhorn
State Legislative Officer
Maryland Department of Transportation
410-865-1102