

SENATE BILL 542

A1

5lr1704

By: **Senators Charles, Muse, and Ellis**

Introduced and read first time: January 23, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages Industry – Study**

3 FOR the purpose of requiring the Governor’s Office of Small, Minority, and Women
4 Business Affairs to contract with an independent consultant to conduct a certain
5 study concerning the alcoholic beverages industry in the State; and generally
6 relating to a study of the alcoholic beverages industry in the State.

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

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

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

15 (c) The study shall include:

16 (1) current participation rates and data organized by racial and ethnic
17 demographics for distributors and retailers;

18 (2) historical business participation rates and data organized by racial and
19 ethnic demographics for distributors and retailers;

20 (3) the names and total numbers organized by racial and ethnic
21 demographics of the following that are carried by, or do business with, each distributor and
22 retailer:

23 (i) brands by name;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(ii) brand owners;

(iii) distillers;

(iv) importers;

(v) manufacturers;

(vi) producers;

(vii) winemakers; and

(viii) creators of any product that contains alcohol, but is not specifically mentioned above;

(4) how the structure of the distribution and retail sector of the Maryland alcoholic beverages industry compares to similar structures in other licensing states;

(5) how the participation of businesses owned by different demographics in Maryland compares to the business participation in other states, where available; and

(6) areas that have potential discrimination within the industry that could warrant remedial action.

(d) The recommendations shall include:

(1) identifying barriers to participation within the distribution and retail sector tier of the alcoholic beverages industry;

(2) how the State can enhance business participation in the alcoholic beverages industry; and

(3) other data that may need to be collected or authorized to fully understand the opportunity of business enterprises to participate in the alcoholic beverages industry.

(e) The Office shall consult with the Office of the Attorney General, the Department of Transportation, and the Alcohol, Tobacco, and Cannabis 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 sold within the State by each retailer, along with the demographics of the owner;

(iv) lists of brands distributed within the State by each wholesaler, along with the demographics of the owner;

(v) the percentage of wholesaler revenues for each brand owner account service; and

(vi) the percentage of retailer revenues for each brand owner.

(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:

(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, 2026, 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.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2025. It shall remain effective for a period of 2 years and 1 month and, at the end of June
3 30, 2027, this Act, with no further action required by the General Assembly, shall be
4 abrogated and of no further force and effect.