

SENATE BILL 383

C7, P2

8lr0361
CF HB 1622

By: **Senators Benson, Conway, Currie, King, Lee, Manno, Middleton, Muse, Peters, Robinson, and Young Young, Oaks, Ferguson, McFadden, and Madaleno**

Introduced and read first time: January 25, 2018

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2018

CHAPTER _____

1 AN ACT concerning

2 **Video Lottery Terminals – Minority Business Participation Goals – Sunset**
3 **Extension**

4 FOR the purpose of providing that a certain applicant or licensee is subject to a certain
5 minority business participation goal established for a unit by the Special Secretary
6 for the Office of Small, Minority, and Women Business Affairs under certain
7 provisions of law; requiring that a certain minority business participation goal
8 applies to certain construction and procurement related to video lottery terminals;
9 altering the termination date for certain provisions of law concerning minority
10 business participation for certain construction and procurement related to video
11 lottery terminals; requiring a certain certification agency, in consultation with the
12 General Assembly and the Office of the Attorney General, to initiate a certain study
13 of the Minority Business Enterprise Program for certain purposes; requiring the
14 final report of the study to be submitted to the Legislative Policy Committee on or
15 before a certain date; and generally relating to video lottery terminals and minority
16 business participation.

17 BY repealing and reenacting, with amendments,
18 Article – State Government
19 Section 9–1A–10
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2017 Supplement)

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 the Laws of Maryland read as follows:

3 **Article – State Government**

4 9–1A–10.

5 (a) [(1) For the construction and procurement, including the procurement of
6 equipment and ongoing services, related to the operation of video lottery terminals, the
7 applicant or licensee shall at a minimum meet the same requirements of a designated unit
8 for minority business participation as described under Title 14, Subtitle 3 of the State
9 Finance and Procurement Article.]

10 **(1) (I) AN APPLICANT OR A LICENSEE IS SUBJECT TO:**

11 **1. THE MINORITY BUSINESS PARTICIPATION GOAL**
12 **ESTABLISHED FOR A UNIT BY THE SPECIAL SECRETARY FOR THE OFFICE OF SMALL,**
13 **MINORITY, AND WOMEN BUSINESS AFFAIRS UNDER § 14–302(A)(1)(II) OF THE**
14 **STATE FINANCE AND PROCUREMENT ARTICLE; AND**

15 **2. ANY OTHER CORRESPONDING PROVISIONS OF LAW**
16 **UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT**
17 **ARTICLE.**

18 **(II) THE MINORITY BUSINESS PARTICIPATION GOAL SHALL**
19 **APPLY TO:**

20 **1. CONSTRUCTION RELATED TO VIDEO LOTTERY**
21 **TERMINALS; AND**

22 **2. PROCUREMENT RELATED TO THE OPERATION OF**
23 **VIDEO LOTTERY TERMINALS, INCLUDING PROCUREMENT OF EQUIPMENT AND**
24 **ONGOING SERVICES.**

25 (2) If the county in which a video lottery facility will be located has higher
26 minority business participation requirements than the State as described in paragraph (1)
27 of this subsection, the applicant shall meet the county's minority business participation
28 requirements to the extent possible.

29 (3) A county in which a video lottery facility will be located may impose
30 local business, local minority business participation, and local hiring requirements to the
31 extent authorized by local law and permitted by the United States Constitution.

32 (4) Any collective bargaining agreement or agreements, including a project
33 labor agreement or a neutrality agreement, entered into by an applicant or licensee may
34 not negate the requirements of this subsection.

1 (5) If an applicant for employment at a video lottery facility believes that
2 the applicant has been discriminated against in the employment process, the applicant may
3 appeal the employment decision to the local human relations board in the county where the
4 facility is located.

5 (6) Notwithstanding any collective bargaining agreement or agreements, a
6 licensee shall:

7 (i) provide health insurance coverage for its employees; and

8 (ii) give a preference to hiring qualified employees from the
9 communities within 10 miles of the video lottery facility.

10 (7) A licensee shall:

11 (i) provide retirement benefits for its employees; and

12 (ii) if the licensee is a racetrack licensee, provide retirement benefits
13 to its video lottery operation employees that are equivalent to the level of benefits provided
14 to the racetrack employees who are eligible under the Maryland Racetrack Employees
15 Pension Fund.

16 (8) Notwithstanding any collective bargaining agreement or agreements, if
17 the licensee is a racetrack location, the licensee shall provide health insurance coverage to
18 all employees of the racetrack, including the employees of the racetrack on the backstretch
19 of the racetrack.

20 (b) (1) The Commission shall ensure that a video lottery operation licensee
21 complies with the requirements of subsection (a)(1) and (2) of this section as a condition of
22 holding the video lottery operation license.

23 (2) The Governor's Office of Small, Minority, and Women Business Affairs
24 shall monitor a licensee's compliance with subsection (a)(1) and (2) of this section.

25 (3) The Governor's Office of Small, Minority, and Women Business Affairs
26 shall report to the Commission at least every 6 months on the compliance of licensees with
27 subsection (a)(1) and (2) of this section.

28 (4) If the Governor's Office of Small, Minority, and Women Business Affairs
29 reports that a licensee is not in compliance with subsection (a)(1) and (2) of this section, the
30 Commission may take immediate action to ensure the compliance of the licensee.

31 (c) On or after July 1, [2018] ~~2028~~ **2019**, the provisions of subsections (a)(1) and
32 (2) and (b) of this section and any regulations adopted under subsections (a)(1) and (2) and
33 (b) of this section shall be of no effect and may not be enforced.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the agency designated by the
 2 Board of Public Works under § 14-303(b) of the State Finance and Procurement Article to
 3 certify and decertify minority business enterprises, in consultation with the General
 4 Assembly and the Office of the Attorney General, shall initiate a study of the Minority
 5 Business Enterprise Program to evaluate the Program's continued compliance with the
 6 requirements of the decision of Richmond v. J.A. Croson Co., 488 U.S. 469 (1989) and any
 7 subsequent federal or constitutional requirements. In preparation for the study, the State
 8 Lottery and Gaming Control Commission shall require video lottery operation license
 9 applicants and licensees to provide any information necessary to perform the study. The
 10 study shall also evaluate race-neutral programs or other methods that can be used to
 11 address the needs of minority investors and minority businesses. The final report on the
 12 study shall be submitted to the Legislative Policy Committee on or before December 14,
 13 2018, so that the General Assembly may review the report before the 2019 Session.

14 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 15 June 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.