

# HOUSE BILL 685

C7, P2

9lr1842  
CF SB 421

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By: **Delegates Wilson, Acevero, Anderson, Barron, Brooks, Conaway, Fennell,  
Ivey, Lehman, Patterson, and Proctor**

Introduced and read first time: February 7, 2019

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted with floor amendments

Read second time: March 5, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Video Lottery Terminals – Minority Business Participation Goals – Enforcement**  
3 **and Reporting**

4 FOR the purpose of altering the date by which certain provisions of law relating to minority  
5 business participation goals for certain applicants or licensees are of no effect and  
6 may not be enforced; altering a deadline for a certain reporting requirement; and  
7 generally relating to video lottery terminals and minority business participation.

8 BY repealing and reenacting, with amendments,  
9 Article – State Government  
10 Section 9–1A–10  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Chapter 335 of the Acts of the General Assembly of 2018  
15 Section 2

16 BY repealing and reenacting, with amendments,  
17 Chapter 336 of the Acts of the General Assembly of 2018  
18 Section 2

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

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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.



**Article – State Government**

1  
2 9–1A–10.

3 (a) (1) (i) An applicant or a licensee is subject to:

4 1. the minority business participation goal established for a  
5 unit by the Special Secretary for the Office of Small, Minority, and Women Business Affairs  
6 under § 14–302(a)(1)(ii) of the State Finance and Procurement Article; and

7 2. any other corresponding provisions of law under Title 14,  
8 Subtitle 3 of the State Finance and Procurement Article.

9 (ii) The minority business participation goal shall apply to:

10 1. construction related to video lottery terminals; and

11 2. procurement related to the operation of video lottery  
12 terminals, including procurement of equipment and ongoing services.

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

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

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

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

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

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

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

1 (7) A licensee shall:

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

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

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

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

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

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

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

22 (c) On or after July 1, [2019] 2020, the provisions of subsections (a)(1) and (2)  
23 and (b) of this section and any regulations adopted under subsections (a)(1) and (2) and (b)  
24 of this section shall be of no effect and may not be enforced.

## 25 Chapter 335 of the Acts of 2018

26 SECTION 2. AND BE IT FURTHER ENACTED, That the agency designated by the  
27 Board of Public Works under § 14–303(b) of the State Finance and Procurement Article to  
28 certify and decertify minority business enterprises, in consultation with the General  
29 Assembly and the Office of the Attorney General, shall initiate a study of the Minority  
30 Business Enterprise Program to evaluate the Program's continued compliance with the  
31 requirements of the decision of *Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and any  
32 subsequent federal or constitutional requirements. In preparation for the study, the State  
33 Lottery and Gaming Control Commission shall require video lottery operation license  
34 applicants and licensees to provide any information necessary to perform the study. The  
35 study shall also evaluate race-neutral programs or other methods that can be used to  
36 address the needs of minority investors and minority businesses. The final report on the  
37 study shall be submitted to the Legislative Policy Committee on or before [December 14,

1 2018,] **DECEMBER 13, 2019**, so that the General Assembly may review the report before  
 2 the [2019] **2020** Session.

3 **Chapter 336 of the Acts of 2018**

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 17 the [2019] **2020** Session.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 19 ~~October~~ June 1, 2019.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.