

HOUSE BILL 853

C8

EMERGENCY BILL

11r0029

By: **Chair, Ways and Means Committee (By Request – Departmental – Commerce)**

Introduced and read first time: January 29, 2021

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **Small, Minority, and Women–Owned Businesses Account – Alterations**

3 FOR the purpose of expanding the eligible uses of the Small, Minority, and Women–Owned
4 Businesses Account to include the provision of certain grants and the conversion of
5 certain loan amounts into grants in areas declared to be federal disaster areas or
6 subject to a federal or State declaration of emergency; limiting the amount of certain
7 grants and loan amounts converted to grants that may be provided to a certain
8 business or in a certain fiscal year; making this Act an emergency measure; and
9 generally relating to the Small, Minority, and Women–Owned Businesses Account.

10 BY repealing and reenacting, without amendments,
11 Article – Economic Development
12 Section 5–1501(a) and (c)
13 Annotated Code of Maryland
14 (2018 Replacement Volume and 2020 Supplement)

15 BY adding to
16 Article – Economic Development
17 Section 5–1501(h)
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2020 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Economic Development
22 Section 5–1501(h) and (i)

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 Annotated Code of Maryland
2 (2018 Replacement Volume and 2020 Supplement)

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

5 **Article – Economic Development**

6 5–1501.

7 (a) There is a Small, Minority, and Women–Owned Businesses Account under the
8 authority of the Department.

9 (c) (1) In this subsection, “eligible fund manager”:

10 (i) means an entity that has significant financial or investment
11 experience, under criteria developed by the Department; and

12 (ii) includes an entity that the Department designates to manage
13 funds received under subsection (b)(1)(i) of this section.

14 (2) Subject to the provisions of paragraph (3) of this subsection, the
15 Department shall make grants to eligible fund managers to provide investment capital and
16 loans to small, minority, and women–owned businesses in the State.

17 (3) Except for money received from the Strategic Energy Investment Fund,
18 the Department shall ensure that eligible fund managers allocate at least 50% of the funds
19 from this Account to small, minority, and women–owned businesses in the jurisdictions and
20 communities surrounding a video lottery facility.

21 **(H) (1) NOTWITHSTANDING ANY PROVISIONS IN THIS SECTION TO THE**
22 **CONTRARY, THIS SUBSECTION APPLIES TO BUSINESSES IN AREAS OF THE STATE**
23 **THAT ARE:**

24 **(I) DECLARED TO BE FEDERAL DISASTER AREAS;**

25 **(II) SUBJECT TO A FEDERAL DECLARATION OF EMERGENCY; OR**

26 **(III) SUBJECT TO AN OFFICIAL DECLARATION OF EMERGENCY BY**
27 **THE GOVERNOR.**

28 **(2) IN AN AREA OF THE STATE DESCRIBED IN PARAGRAPH (1) OF THIS**
29 **SUBSECTION, AN ELIGIBLE FUND MANAGER MAY:**

30 **(I) PROVIDE FINANCIAL ASSISTANCE UNDER THIS SECTION TO**
31 **A SMALL, MINORITY, OR WOMEN–OWNED BUSINESS IN THE FORM OF A GRANT; OR**

1 **(II) CONVERT TO A GRANT PART OR ALL OF A LOAN THAT WAS**
2 **PROVIDED TO A SMALL, MINORITY, OR WOMEN-OWNED BUSINESS BEFORE THE AREA**
3 **WAS DECLARED A FEDERAL DISASTER AREA OR BECAME SUBJECT TO A**
4 **DECLARATION OF EMERGENCY.**

5 **(3) (I) THE AMOUNT OF ANY GRANT OR LOAN CONVERTED TO A**
6 **GRANT UNDER THIS SUBSECTION MAY NOT EXCEED \$50,000 FOR A SINGLE**
7 **BUSINESS.**

8 **(II) THE AGGREGATE TOTAL OF FINANCIAL ASSISTANCE**
9 **PROVIDED IN THE FORM OF GRANTS AND LOANS CONVERTED TO GRANTS UNDER**
10 **THIS SUBSECTION MAY NOT EXCEED \$2,500,000 IN A FISCAL YEAR.**

11 **[(h)] (I)** The Legislative Auditor shall audit the utilization of the funds that are
12 allocated to small, minority, and women-owned businesses by eligible fund managers
13 under subsection (c)(3) of this section during an audit of the applicable State unit as
14 provided in § 2-1220 of the State Government Article.

15 **[(i)] (J)** (1) On or before October 1 each year, the Department shall submit a
16 report on the status of money received from the Strategic Energy Investment Fund under
17 subsection (d) of this section to the Senate Finance Committee and the House Economic
18 Matters Committee, in accordance with § 2-1257 of the State Government Article.

19 (2) With respect to the preceding fiscal year and each relevant prior fiscal
20 year, the report shall include:

- 21 (i) the amounts received from the Fund;
- 22 (ii) the amounts placed as grants with eligible fund managers; and
- 23 (iii) with respect to each eligible fund manager:
- 24 1. the identity of the manager;
- 25 2. the money provided to the manager;
- 26 3. the investments made by the manager;
- 27 4. the amounts retained by the manager as expenses and
28 management fees;
- 29 5. the small, minority, women-owned, and veteran-owned
30 businesses receiving the investments; and

1 6. the status of the investments listed under item 5 of this
2 item, along with any return made on each investment.

3 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July~~
4 ~~1, 2021.~~

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
6 measure, is necessary for the immediate preservation of the public health or safety, has
7 been passed by a yea and nay vote supported by three-fifths of all the members elected to
8 each of the two Houses of the General Assembly, and shall take effect from the date it is
9 enacted.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.