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**By: Senator McFadden**

Introduced and read first time: January 31, 1997

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Department of Business and Economic Development - Youth Business Enterprise**  
3 **Empowerment Act**

4 FOR the purpose of establishing a Youth Business Enterprise Empowerment Program in  
5 the Department of Business and Economic Development; requiring the Department  
6 to adopt certain regulations to implement the Program; establishing a Youth  
7 Business Enterprise Advisory Council in the Department; specifying the  
8 composition and function of the Council and the terms of its members; establishing  
9 a Youth Business Enterprise Fund in the Department; providing for the use and  
10 administration of the Fund; providing for the enforcement of this Act; prohibiting  
11 certain conduct and providing certain penalties for a violation of this Act; requiring  
12 the Department to submit a certain annual report to certain units of State  
13 government; defining certain terms; and generally relating to a certain Youth  
14 Business Enterprise Empowerment Program.

15 BY repealing and reenacting, without amendments,  
16 Article 83A - Department of Business and Economic Development  
17 Section 1-101(a), (b), and (d)  
18 Annotated Code of Maryland  
19 (1995 Replacement Volume and 1996 Supplement)

20 BY adding to  
21 Article 83A - Department of Business and Economic Development  
22 Section 6-801 through 6-808, inclusive, to be under the new subtitle "Subtitle 8.  
23 Youth Business Enterprise Empowerment Program"  
24 Annotated Code of Maryland  
25 (1995 Replacement Volume and 1996 Supplement)

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

28 **Article 83A - Department of Business and Economic Development**

29 1-101.

30 (a) In this article the following words have the meanings indicated.

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1 (b) "Department" means the Department of Business and Economic  
2 Development.

3 (d) "Secretary" means the Secretary of Business and Economic Development.

4 SUBTITLE 8. YOUTH BUSINESS ENTERPRISE EMPOWERMENT PROGRAM.

5 6-801.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (B) "CERTIFICATION" MEANS THE DETERMINATION THAT A LEGAL ENTITY IS  
9 A YOUTH BUSINESS ENTERPRISE FOR PURPOSES OF THIS SUBTITLE.

10 (C) "CERTIFICATION AGENCY" MEANS THE DEPARTMENT OF BUSINESS AND  
11 ECONOMIC DEVELOPMENT.

12 (D) "CERTIFIED YOUTH BUSINESS ENTERPRISE" MEANS A YOUTH BUSINESS  
13 ENTERPRISE THAT HOLDS A CERTIFICATION.

14 (E) "PROGRAM" MEANS THE YOUTH BUSINESS ENTERPRISE EMPOWERMENT  
15 PROGRAM.

16 (F) (1) "YOUTH BUSINESS ENTERPRISE" MEANS ANY LEGAL ENTITY THAT  
17 IS:

18 (I) ORGANIZED TO ENGAGE IN COMMERCIAL TRANSACTIONS;  
19 AND

20 (II) AT LEAST 51% OWNED OR CONTROLLED BY ONE OR MORE  
21 INDIVIDUALS WHO ARE NOT MORE THAN 30 YEARS OF AGE.

22 (2) "YOUTH BUSINESS ENTERPRISE" INCLUDES A PROFIT, NOT FOR  
23 PROFIT, COOPERATIVE, OR LIMITED LIABILITY ENTITY THAT PROMOTES  
24 EMPLOYMENT FOR YOUTH OR THE DEVELOPMENT OF YOUTH BUSINESS  
25 ENTERPRISE.

26 6-802.

27 (A) THERE IS A YOUTH BUSINESS ENTERPRISE EMPOWERMENT PROGRAM IN  
28 THE DEPARTMENT.

29 (B) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO CARRY  
30 OUT THE PROGRAM.

31 (C) REGULATIONS THAT THE DEPARTMENT ADOPTS UNDER SUBSECTION (B)  
32 OF THIS SECTION PROVIDE FOR:

33 (1) DEVELOPMENT OF A SINGLE PROCESS FOR THE CERTIFICATION  
34 AND DECERTIFICATION OF YOUTH BUSINESS ENTERPRISES IN THE STATE;

35 (2) COMPILATION AND MAINTENANCE OF A CURRENT LIST OF YOUTH  
36 BUSINESS ENTERPRISES THAT THE DEPARTMENT CERTIFIES;

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1 (3) DISSEMINATION OF A CURRENT LIST OF CERTIFIED YOUTH  
2 BUSINESS ENTERPRISES WITHOUT CHARGE TO ANY PERSON ON REQUEST OF THAT  
3 PERSON;

4 (4) DEVELOPMENT OF FINANCIAL, TAX, AND OTHER INCENTIVES FOR  
5 YOUTH BUSINESS ENTERPRISES;

6 (5) DISSEMINATION OF INFORMATION ABOUT INCENTIVES AVAILABLE  
7 TO YOUTH BUSINESS ENTERPRISES WITHOUT CHARGE TO ANY PERSON ON  
8 REQUEST OF THAT PERSON;

9 (6) COORDINATION OF YOUTH BUSINESS ENTERPRISE ACTIVITIES AT  
10 THE STATE AND LOCAL LEVEL BETWEEN THE DEPARTMENT, BUSINESS, LABOR, AND  
11 OTHER PUBLIC AND PRIVATE ENTITIES INVOLVED IN YOUTH BUSINESS  
12 ENTERPRISE;

13 (7) CONSIDERATION OF THE EQUAL DISTRIBUTION OF FINANCIAL  
14 ASSISTANCE UNDER § 6-804 OF THIS SUBTITLE TO ALL SUBDIVISIONS OF THE STATE;

15 (8) COMPILATION OF A DATABASE FOR RESEARCH CONCERNING THE  
16 EXTENT TO WHICH ELIGIBLE YOUTH AND BUSINESSES IN THE STATE PARTICIPATE  
17 IN THE PROGRAM;

18 (9) PURCHASE OF THE GOODS AND SERVICES PRODUCED BY A YOUTH  
19 BUSINESS ENTERPRISE BY THE STATE; AND

20 (10) ANY OTHER MATTER THAT THE DEPARTMENT DETERMINES IS  
21 NECESSARY OR DESIRABLE TO ENCOURAGE THE DEVELOPMENT OF YOUTH  
22 BUSINESS ENTERPRISE IN THE STATE.

23 6-803.

24 (A) THERE IS A YOUTH BUSINESS ENTERPRISE ADVISORY COUNCIL IN THE  
25 DEPARTMENT.

26 (B) (1) THE COUNCIL CONSISTS OF 19 MEMBERS.

27 (2) OF THE 19 MEMBERS OF THE COUNCIL:

28 (I) ONE SHALL BE THE SECRETARY OR A DESIGNEE OF THE  
29 SECRETARY;

30 (II) ONE SHALL BE A MEMBER OF THE SENATE OF MARYLAND  
31 APPOINTED BY THE PRESIDENT OF THE SENATE;

32 (III) ONE SHALL BE A MEMBER OF THE HOUSE OF DELEGATES  
33 APPOINTED BY THE SPEAKER OF THE HOUSE;

34 (IV) ONE SHALL BE THE SECRETARY OF LABOR, LICENSING, AND  
35 REGULATION, OR A DESIGNEE OF THE SECRETARY;

36 (V) ONE SHALL BE THE SECRETARY OF PUBLIC SAFETY AND  
37 CORRECTIONAL SERVICES, OR A DESIGNEE OF THE SECRETARY;

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1 (VI) ONE SHALL BE THE SECRETARY OF GENERAL SERVICES, OR A  
2 DESIGNEE OF THE SECRETARY;

3 (VII) ONE SHALL BE THE SECRETARY OF JUVENILE JUSTICE, OR A  
4 DESIGNEE OF THE SECRETARY;

5 (VIII) ONE SHALL BE THE MAYOR OF THE CITY OF BALTIMORE, OR A  
6 DESIGNEE OF THE MAYOR;

7 (IX) ONE SHALL BE THE DIRECTOR OF THE OFFICE OF MINORITY  
8 AFFAIRS, OR A DESIGNEE OF THE DIRECTOR;

9 (X) FOUR SHALL BE REPRESENTATIVES OF BUSINESS APPOINTED  
10 BY THE GOVERNOR;

11 (XI) TWO SHALL BE REPRESENTATIVES OF ORGANIZED LABOR  
12 APPOINTED BY THE GOVERNOR; AND

13 (XII) FOUR SHALL BE REPRESENTATIVES OF THE GENERAL PUBLIC,  
14 APPOINTED BY THE GOVERNOR, OF WHOM TWO SHALL BE YOUTH  
15 REPRESENTATIVES WHO ARE NOT MORE THAN 30 YEARS OF AGE.

16 (C) (1) EXCEPT FOR THOSE MEMBERS WHO SERVE EX OFFICIO, THE  
17 APPOINTMENT OF A MEMBER TO THE COUNCIL SHALL BE FOR 3 YEARS,

18 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A  
19 SUCCESSOR IS APPOINTED AND QUALIFIES.

20 (3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
21 ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED  
22 AND QUALIFIES.

23 (4) EACH MEMBER OF THE COUNCIL SHALL SERVE WITHOUT  
24 COMPENSATION, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR EXPENSES  
25 UNDER THE STANDARD STATE TRAVEL REGULATIONS.

26 (D) THE GOVERNOR SHALL SELECT THE CHAIRMAN OF THE COUNCIL.

27 (E) THE COUNCIL SHALL FUNCTION AS AN ADVISORY UNIT TO THE  
28 SECRETARY AND SHALL SUBMIT RECOMMENDATIONS TO THE SECRETARY  
29 CONCERNING ANY MATTERS SPECIFIED IN § 6-802 OF THIS SUBTITLE.

30 6-804.

31 (A) THERE IS A YOUTH BUSINESS ENTERPRISE FUND IN THE DEPARTMENT.

32 (B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS, LOANS, AND OTHER  
33 FINANCIAL INCENTIVES TO FOSTER THE DEVELOPMENT OF YOUTH BUSINESS  
34 ENTERPRISE IN THE STATE.

35 (C) THE FUND CONSISTS OF REVENUE DERIVED FROM ANY FEDERAL OR  
36 STATE APPROPRIATIONS, PRIVATE CONTRIBUTIONS, GRANTS, DONATIONS, OR  
37 FROM ANY OTHER LAWFUL SOURCE.

38 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

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1 (E)(1) THE FUND IS A CONTINUING, NONLAPSING FUND, NOT SUBJECT TO § 7-302  
2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (2) ANY UNSPENT PORTIONS OF THE FUND MAY NOT BE TRANSFERRED  
4 OR REVERT TO THE GENERAL FUND OF THE STATE, BUT SHALL REMAIN IN THE  
5 FUND TO BE USED FOR THE PURPOSES SPECIFIED IN THIS SUBTITLE.

6 (F) MONEY IN THE FUND MAY BE EXPENDED ONLY FOR ANY LAWFUL  
7 PURPOSE AUTHORIZED UNDER THIS SUBTITLE.

8 (G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND  
9 TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1215 OF THE STATE GOVERNMENT  
10 ARTICLE.

11 6-805.

12 (A) IN THE SAME MANNER AND WITH THE SAME FEES AS PROVIDED BY LAW  
13 IN CIVIL CASES, IN A MATTER REGARDING THE DECERTIFICATION OF A CERTIFIED  
14 YOUTH BUSINESS ENTERPRISE, THE DEPARTMENT MAY:

15 (1) SUBPOENA WITNESSES;

16 (2) ADMINISTER OATHS; AND

17 (3) COMPEL THE PRODUCTION OF RECORDS, BOOKS, PAPERS, AND  
18 OTHER DOCUMENTS.

19 (B) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER  
20 SUBSECTION (A) OF THIS SECTION, OR FAILS TO PRODUCE DOCUMENTS OR OTHER  
21 EVIDENCE, ON PETITION OF THE DEPARTMENT, A COURT OF COMPETENT  
22 JURISDICTION MAY PASS AN ORDER DIRECTING COMPLIANCE WITH THE SUBPOENA  
23 OR COMPELLING THE PRODUCTION OF DOCUMENTS OR OTHER EVIDENCE.

24 6-806.

25 (A) (1) A PERSON MAY NOT:

26 (I) FRAUDULENTLY OBTAIN, HOLD, OR ATTEMPT TO OBTAIN OR  
27 HOLD CERTIFICATION;

28 (II) AID ANOTHER PERSON IN PERFORMING AN ACT PROHIBITED  
29 UNDER ITEM (I) OF THIS PARAGRAPH;

30 (III) WILLFULLY OBSTRUCT, IMPEDE, OR ATTEMPT TO OBSTRUCT  
31 OR IMPEDE A STATE OFFICIAL OR EMPLOYEE INVESTIGATING THE QUALIFICATIONS  
32 OF A BUSINESS ENTITY THAT HAS REQUESTED CERTIFICATION;

33 (IV) FRAUDULENTLY OBTAIN, ATTEMPT TO OBTAIN, OR AID  
34 ANOTHER PERSON IN FRAUDULENTLY OBTAINING OR ATTEMPTING TO OBTAIN,  
35 PUBLIC MONEYS TO WHICH THE PERSON IS NOT ENTITLED UNDER THIS SUBTITLE;  
36 OR

37 (V) IN ANY YOUTH BUSINESS ENTERPRISE MATTER  
38 ADMINISTERED UNDER THIS SUBTITLE:

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1 1. WILLFULLY FALSIFY, CONCEAL, OR COVER UP A  
2 MATERIAL FACT BY ANY SCHEME OR DEVICE;

3 2. MAKE A FALSE OR FRAUDULENT STATEMENT OR  
4 REPRESENTATION; OR

5 3. USE A FALSE WRITING OR DOCUMENT THAT THE PERSON  
6 KNOWS TO CONTAIN A FALSE OR FRAUDULENT STATEMENT OR ENTRY.

7 (2) A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBSECTION IS  
8 GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING  
9 \$20,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.

10 (B) (1) A PERSON MAY NOT MAKE A FALSE STATEMENT ABOUT WHETHER  
11 AN ENTITY HAS CERTIFICATION.

12 (2) A PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A  
13 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$2,500  
14 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

15 6-807.

16 ON OR BEFORE JANUARY 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT  
17 A REPORT CONCERNING THE IMPLEMENTATION OF THE YOUTH BUSINESS  
18 ENTERPRISE EMPOWERMENT PROGRAM TO THE GOVERNOR, THE OFFICE OF  
19 MINORITY AFFAIRS AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT  
20 ARTICLE, THE GENERAL ASSEMBLY.

21 6-808.

22 THIS SUBTITLE MAY BE CITED AS THE "YOUTH BUSINESS ENTERPRISE  
23 EMPOWERMENT ACT".

24 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding Article  
25 83A, § 6-803(d)(1), as enacted by this Act, the Governor shall stagger the terms of the  
26 initial members of the Youth Business Enterprise Council established by Article 83A, §  
27 6-803, as enacted by Section 1 of this Act.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 1997.