

Chapter 453

(Senate Bill 498)

AN ACT concerning

**Video Lottery Terminals – Small, Minority, and Women–Owned Businesses
Account – Transfer of Authority**

FOR the purpose of transferring the authority for the administration of the Small, Minority, and Women–Owned Businesses Account from the Board of Public Works to the Department of Commerce; making conforming changes; and generally relating to the authority for the Small, Minority, and Women–Owned Businesses Account.

BY transferring

Article – State Government
Section 9–1A–35
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

to be

Article – Economic Development
Section 5–1501
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development
Section 5–1501 to be under the new subtitle “Subtitle 15. Small, Minority, and
Women–Owned Businesses Account”
Annotated Code of Maryland
(2008 Volume and 2016 Supplement)
(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–1A–27(a)(6) and (c)(1)(v)
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 9–1A–35 of Article – State Government of the Annotated Code of Maryland be transferred to be Section(s) 5–1501 of Article – Economic Development of the Annotated Code of Maryland.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Economic Development**SUBTITLE 15. SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES ACCOUNT.**

5–1501.

(a) There is a Small, Minority, and Women–Owned Businesses Account under the authority of the [Board of Public Works] **DEPARTMENT**.

(b) (1) The Account shall receive money as required under § 9–1A–27 of [this subtitle] **THE STATE GOVERNMENT ARTICLE**.

(2) Money in the Account shall be invested and reinvested by the Treasurer and interest and earnings shall accrue to the Account.

(3) The Comptroller shall:

(i) account for the Account; and

(ii) on a properly approved transmittal prepared by the [Board of Public Works] **DEPARTMENT**, issue a warrant to pay out money from the Account in the manner provided under this section.

(4) The Account is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(5) Expenditures from the Account shall only be made on a properly approved transmittal prepared by the [Board of Public Works] **DEPARTMENT** as provided under subsection (c) of this section.

(c) (1) In this subsection, “eligible fund manager” means an entity that has significant financial or investment experience, under criteria developed by the [Board of Public Works] **DEPARTMENT**.

(2) Subject to the provisions of paragraph (3) of this subsection, the [Board of Public Works] **DEPARTMENT** shall make grants to eligible fund managers to provide investment capital and loans to small, minority, and women–owned businesses in the State.

(3) The [Board of Public Works] **DEPARTMENT** shall ensure that eligible fund managers allocate at least 50% of the funds from this Account to small, minority, and women–owned businesses in the jurisdictions and communities surrounding a video lottery facility.

(d) Fund managers receiving grants under this section shall:

(1) keep proper records of funds and accounts;

(2) provide an annual report to the Governor and, in accordance with § 2–1246 of [this article] **THE STATE GOVERNMENT ARTICLE**, the General Assembly on investment capital and loans made pursuant to subsection (c) of this section; and

(3) be subject to audit by the Office of Legislative Audits of the Department of Legislative Services.

(e) (1) Subject to paragraph (2) of this subsection, an eligible fund manager may use money from grants received under this section to pay expenses for administrative, actuarial, legal, and technical services.

(2) The [Board of Public Works] **DEPARTMENT** shall set the maximum amount of grant money that each eligible fund manager may use under paragraph (1) of this subsection.

(f) The Legislative Auditor shall audit the utilization of the funds that are allocated to small, minority, and women–owned businesses by eligible fund managers under subsection (c)(3) of this section during an audit of the applicable State unit as provided in § 2–1220 of [this article] **THE STATE GOVERNMENT ARTICLE**.

Article – State Government

9–1A–27.

(a) Except as provided in subsections (b) and (c) of this section and § 9–1A–26(a)(3) of this subtitle, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(6) 1.5% to the Small, Minority, and Women–Owned Businesses Account established under [§ 9–1A–35 of this subtitle] **§ 5–1501 OF THE ECONOMIC DEVELOPMENT ARTICLE**;

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(v) 0.75% to the Small, Minority, and Women–Owned Businesses Account established under [§ 9–1A–35 of this subtitle] **§ 5–1501 OF THE ECONOMIC DEVELOPMENT ARTICLE**; and

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.