

Chapter 116

(House Bill 853)

AN ACT concerning

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

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

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

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

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 5–1501(h) and (i)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

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

Article – Economic Development

5–1501.

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

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

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

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

(2) Subject to the provisions of paragraph (3) of this subsection, the 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) Except for money received from the Strategic Energy Investment Fund, the 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.

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

(I) DECLARED TO BE FEDERAL DISASTER AREAS;

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

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

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

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

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

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

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

[(h)] (I) 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 the State Government Article.

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

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

- (i) the amounts received from the Fund;
- (ii) the amounts placed as grants with eligible fund managers; and
- (iii) with respect to each eligible fund manager:
 1. the identity of the manager;
 2. the money provided to the manager;
 3. the investments made by the manager;
 4. the amounts retained by the manager as expenses and management fees;
 5. the small, minority, women-owned, and veteran-owned businesses receiving the investments; and
 6. the status of the investments listed under item 5 of this item, along with any return made on each investment.

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

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

Approved by the Governor, April 13, 2021.