

# SENATE BILL 310

C8

2lr0894  
CF HB 386

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By: **Senators Elfreth, Hester, Gallion, Guzzone, and Hershey**

Introduced and read first time: January 20, 2022

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2022

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

1 AN ACT concerning

2 **Anne Arundel County and City of Annapolis – Small, Minority, and**  
3 **Women–Owned Businesses Account – Local State of Emergency**

4 FOR the purpose of expanding the eligible uses of the Small, Minority, and Women–Owned  
5 Businesses Account to include the provision of certain grants and the conversion of  
6 certain loan amounts into grants in ~~areas~~ Anne Arundel County and the City of  
7 Annapolis when in a declared a local state of emergency; limiting the amount of  
8 certain grants and loan amounts converted to grants that may be provided to a  
9 certain business; establishing the Workgroup to Study the Establishment of a State  
10 Disaster Relief Fund; and generally relating to the Small, Minority, and  
11 Women–Owned Businesses Account.

12 BY repealing and reenacting, with amendments,  
13 Article – Economic Development  
14 Section 5–1501  
15 Annotated Code of Maryland  
16 (2018 Replacement Volume and 2021 Supplement)

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

19 **Article – Economic Development**

20 5–1501.

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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.



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

3 (b) (1) (i) The Account shall receive money as required under § 9–1A–27 of  
4 the State Government Article.

5 (ii) The Account shall receive money from the Strategic Energy  
6 Investment Fund as required under § 9–20B–05 of the State Government Article.

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

9 (3) The Comptroller shall:

10 (i) account for the Account; and

11 (ii) on a properly approved transmittal prepared by the Department,  
12 issue a warrant to pay out money from the Account in the manner provided under this  
13 section.

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

16 (5) Expenditures from the Account shall only be made on a properly  
17 approved transmittal prepared by the Department as provided under subsection (c) of this  
18 section.

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

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

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

24 (2) Subject to the provisions of paragraph (3) of this subsection **AND**  
25 **SUBSECTION (I) OF THIS SECTION**, the Department shall make grants to eligible fund  
26 managers to provide investment capital and loans to small, minority, and women–owned  
27 businesses in the State.

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

1 (d) (1) Any money received from the Strategic Energy Investment Fund shall  
2 be used to benefit small, minority, women-owned, and veteran-owned businesses in the  
3 clean energy industry in the State.

4 (2) The Department shall make grants to eligible fund managers to provide  
5 investment capital, including direct equity investments and similar investments and loans  
6 to small, minority, women-owned, and veteran-owned businesses in the clean energy  
7 industry in the State.

8 (e) Fund managers receiving grants under this section shall:

9 (1) keep proper records of funds and accounts;

10 (2) provide an annual report to the Governor and, in accordance with §  
11 2-1257 of the State Government Article, the General Assembly on investment capital and  
12 loans made pursuant to subsection (c) of this section; and

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

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

18 (2) The Department shall set the maximum amount of grant money that  
19 each eligible fund manager may use under paragraph (1) of this subsection.

20 (g) (1) Subject to paragraphs (2) through (4) of this subsection, an eligible fund  
21 manager may use money from a grant received under subsection (d)(1) of this section to pay  
22 ordinary and reasonable expenses for administrative, actuarial, legal, marketing, and  
23 technical services and management fees.

24 (2) The Department shall:

25 (i) maintain all money received from the Strategic Energy  
26 Investment Fund in a single account; and

27 (ii) make grant allocations to an eligible fund manager as the  
28 manager advises the Department that the manager has approved and prepared to fund an  
29 investment or a loan.

30 (3) Any allocation that the Department makes to an eligible fund manager  
31 from the Strategic Energy Investment Fund shall include:

32 (i) the amount of the investment or loan; and

1 (ii) up to an additional 3% of the total investment or loan  
2 commitment amount as a management fee for the benefit and compensation of the eligible  
3 fund manager.

4 (4) An eligible fund manager that receives an allocation from the Strategic  
5 Energy Investment Fund shall retain for the manager's benefit:

6 (i) all management fees paid by the Department; and

7 (ii) all interest earned from a loan made by the eligible fund manager  
8 under this subsection.

9 (h) (1) Notwithstanding any provisions in this section to the contrary, this  
10 subsection applies to businesses in areas of the State that are:

11 (i) declared to be federal disaster areas;

12 (ii) subject to a federal declaration of emergency; or

13 (iii) subject to an official declaration of emergency by the Governor.

14 (2) In an area of the State described in paragraph (1) of this subsection, an  
15 eligible fund manager may:

16 (i) provide financial assistance under this section to a small,  
17 minority, or women-owned business in the form of a grant; or

18 (ii) convert to a grant part or all of a loan that was provided to a  
19 small, minority, or women-owned business before the area was declared a federal disaster  
20 area or became subject to a declaration of emergency.

21 (3) (i) The amount of any grant or loan converted to a grant under this  
22 subsection may not exceed \$50,000 for a single business.

23 (ii) The aggregate total of financial assistance provided in the form  
24 of grants and loans converted to grants under this subsection may not exceed \$10,000,000  
25 in a fiscal year.

26 **(I) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,**  
27 **THIS SUBSECTION APPLIES TO BUSINESSES AND NONPROFIT ORGANIZATIONS IN**  
28 **~~AREAS OF THE STATE WHERE THE PRINCIPAL EXECUTIVE OFFICER ANNE ARUNDEL~~**  
29 **COUNTY AND THE CITY OF ANNAPOLIS WHEN THE PRINCIPAL EXECUTIVE OFFICER**  
30 **HAS DECLARED A LOCAL STATE OF EMERGENCY UNDER § 14-111 OF THE PUBLIC**  
31 **SAFETY ARTICLE.**





- 1           (e)    A member of the Workgroup:
- 2                (1)    may not receive compensation as a member of the Workgroup; but
- 3                (2)    is entitled to reimbursement for expenses under the Standard State  
4    Travel Regulations, as provided in the State budget.
- 5           (f)    The Workgroup shall study and make recommendations regarding:
- 6                (1)    the efficacy and sustainability of existing emergency fund sources; and
- 7                (2)    the potential establishment of a State Disaster Relief Fund.
- 8           (g)    On or before December 31, 2022, the Workgroup shall report its findings and  
9    recommendations to the Governor and, in accordance with § 2-1257 of the State  
10 Government Article, the General Assembly.

11           SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2022. Section 2 of this Act shall remain effective for a period of 1 year and, at the  
13 end of June 30, 2023, this Act, with no further action required by the General Assembly,  
14 shall be abrogated and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.