

SENATE BILL 421

C7, P2

9lr1840
CF HB 685

By: **Senators Benson, Carter, Ferguson, Hayes, Lam, Lee, Patterson, and Peters**

Introduced and read first time: February 1, 2019

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2019

CHAPTER _____

1 AN ACT concerning

2 **Video Lottery Terminals – Minority Business Participation Goals – Enforcement**
3 **and Reporting**

4 FOR the purpose of altering the date by which certain provisions of law relating to minority
5 business participation goals for certain applicants or licensees are of no effect and
6 may not be enforced; altering a deadline for a certain reporting requirement; and
7 generally relating to video lottery terminals and minority business participation.

8 BY repealing and reenacting, with amendments,
9 Article – State Government
10 Section 9–1A–10
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,
14 Chapter 335 of the Acts of the General Assembly of 2018
15 Section 2

16 BY repealing and reenacting, with amendments,
17 Chapter 336 of the Acts of the General Assembly of 2018
18 Section 2

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

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 **Article – State Government**

2 9–1A–10.

3 (a) (1) (i) An applicant or a licensee is subject to:

4 1. the minority business participation goal established for a
5 unit by the Special Secretary for the Office of Small, Minority, and Women Business Affairs
6 under § 14–302(a)(1)(ii) of the State Finance and Procurement Article; and7 2. any other corresponding provisions of law under Title 14,
8 Subtitle 3 of the State Finance and Procurement Article.

9 (ii) The minority business participation goal shall apply to:

10 1. construction related to video lottery terminals; and

11 2. procurement related to the operation of video lottery
12 terminals, including procurement of equipment and ongoing services.13 (2) If the county in which a video lottery facility will be located has higher
14 minority business participation requirements than the State as described in paragraph (1)
15 of this subsection, the applicant shall meet the county's minority business participation
16 requirements to the extent possible.17 (3) A county in which a video lottery facility will be located may impose
18 local business, local minority business participation, and local hiring requirements to the
19 extent authorized by local law and permitted by the United States Constitution.20 (4) Any collective bargaining agreement or agreements, including a project
21 labor agreement or a neutrality agreement, entered into by an applicant or licensee may
22 not negate the requirements of this subsection.23 (5) If an applicant for employment at a video lottery facility believes that
24 the applicant has been discriminated against in the employment process, the applicant may
25 appeal the employment decision to the local human relations board in the county where the
26 facility is located.27 (6) Notwithstanding any collective bargaining agreement or agreements, a
28 licensee shall:

29 (i) provide health insurance coverage for its employees; and

30 (ii) give a preference to hiring qualified employees from the
31 communities within 10 miles of the video lottery facility.

32 (7) A licensee shall:

1 (i) provide retirement benefits for its employees; and

2 (ii) if the licensee is a racetrack licensee, provide retirement benefits
3 to its video lottery operation employees that are equivalent to the level of benefits provided
4 to the racetrack employees who are eligible under the Maryland Racetrack Employees
5 Pension Fund.

6 (8) Notwithstanding any collective bargaining agreement or agreements, if
7 the licensee is a racetrack location, the licensee shall provide health insurance coverage to
8 all employees of the racetrack, including the employees of the racetrack on the backstretch
9 of the racetrack.

10 (b) (1) The Commission shall ensure that a video lottery operation licensee
11 complies with the requirements of subsection (a)(1) and (2) of this section as a condition of
12 holding the video lottery operation license.

13 (2) The Governor's Office of Small, Minority, and Women Business Affairs
14 shall monitor a licensee's compliance with subsection (a)(1) and (2) of this section.

15 (3) The Governor's Office of Small, Minority, and Women Business Affairs
16 shall report to the Commission at least every 6 months on the compliance of licensees with
17 subsection (a)(1) and (2) of this section.

18 (4) If the Governor's Office of Small, Minority, and Women Business Affairs
19 reports that a licensee is not in compliance with subsection (a)(1) and (2) of this section, the
20 Commission may take immediate action to ensure the compliance of the licensee.

21 (c) On or after July 1, [2019] **2020**, the provisions of subsections (a)(1) and (2)
22 and (b) of this section and any regulations adopted under subsections (a)(1) and (2) and (b)
23 of this section shall be of no effect and may not be enforced.

24 **Chapter 335 of the Acts of 2018**

25 SECTION 2. AND BE IT FURTHER ENACTED, That the agency designated by the
26 Board of Public Works under § 14-303(b) of the State Finance and Procurement Article to
27 certify and decertify minority business enterprises, in consultation with the General
28 Assembly and the Office of the Attorney General, shall initiate a study of the Minority
29 Business Enterprise Program to evaluate the Program's continued compliance with the
30 requirements of the decision of *Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and any
31 subsequent federal or constitutional requirements. In preparation for the study, the State
32 Lottery and Gaming Control Commission shall require video lottery operation license
33 applicants and licensees to provide any information necessary to perform the study. The
34 study shall also evaluate race-neutral programs or other methods that can be used to
35 address the needs of minority investors and minority businesses. The final report on the
36 study shall be submitted to the Legislative Policy Committee on or before [December 14,

1 2018,] **DECEMBER 13, 2019**, so that the General Assembly may review the report before
 2 the [2019] **2020** Session.

3 **Chapter 336 of the Acts of 2018**

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 16 2018,] **DECEMBER 13, 2019**, so that the General Assembly may review the report before
 17 the [2019] **2020** Session.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 19 ~~October~~ June 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.