

SENATE BILL 722

P1

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CF HB 62

By: **Senator Hester**

Introduced and read first time: February 5, 2021

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Small Business, Entrepreneurship, and Innovation – Established**

3 FOR the purpose of establishing the Department of Small Business, Entrepreneurship, and
4 Innovation; establishing the Department as a principal department of the Executive
5 Branch of State government; transferring authority over the Maryland Small
6 Business Development Financing Authority from the Department of Commerce to
7 the Department of Small Business, Entrepreneurship, and Innovation; requiring the
8 Authority to submit certain reports to the Department of Small Business,
9 Entrepreneurship, and Innovation and the General Assembly on or before a certain
10 date each year; requiring the Department of Small Business, Entrepreneurship, and
11 Innovation to prepare and submit certain economic impact analysis ratings and
12 economic impact analyses relating to certain proposed regulations in a certain
13 manner; abolishing the Governor’s Office of Small, Minority, and Women Business
14 Affairs and transferring its responsibilities to the Department of Small Business,
15 Entrepreneurship, and Innovation; transferring responsibilities of the Special
16 Secretary of the Governor’s Office to the Secretary of Small Business; requiring the
17 Secretary for Small Business to take a certain oath before taking office; renaming
18 the Interdepartmental Advisory Committee on Small, Minority, and Women
19 Business Affairs to be the Interdepartmental Advisory Committee on
20 Entrepreneurship and Innovation; requiring the Secretary for Small Business to
21 advise the Governor on certain matters and, as authorized by the Governor, carry
22 out certain policies and establish a commission to study or address certain matters;
23 requiring a certain annual report of the Department of Small Business,
24 Entrepreneurship, and Innovation to include certain information; transferring the
25 Office of Small Business Regulatory Assistance from the Maryland Department of
26 Labor to the Department of Small Business, Entrepreneurship, and Innovation;
27 requiring that certain responsibilities be transferred to the Department of Small
28 Business, Entrepreneurship, and Innovation on a certain date; requiring that certain
29 appropriations be transferred to the Department of Small Business,
30 Entrepreneurship, and Innovation on a certain date; providing for the transfer of
31 certain functions, powers, duties, property, records, fixtures, credits, assets, liability,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 obligations, rights, and privileges; requiring that certain employees of the Governor's
2 Office, the Department of Commerce, and the Maryland Department of Labor be
3 transferred to the Department of Small Business, Entrepreneurship, and Innovation
4 without diminution of their rights, benefits, employment, and retirement status;
5 requiring that certain positions at the Department of Commerce or the Maryland
6 Department of Labor be transferred to the Department of Small Business,
7 Entrepreneurship, and Innovation; prohibiting certain changes in loan terms or
8 status for certain loan recipients as a result of this Act; providing for the continuity
9 of certain transactions affected by or flowing from this Act; providing for the
10 continuity of certain laws, regulations, standards and guidelines, policies, orders and
11 other directives, forms, plans, membership, contracts, property, investigations,
12 administrative and judicial responsibilities, rights, and other duties and
13 responsibilities; defining certain terms; making stylistic, technical, and conforming
14 changes; and generally relating to the Department of Small Business,
15 Entrepreneurship, and Innovation.

16 BY transferring

17 Article – Business Regulation
18 Section 2–103.1
19 Annotated Code of Maryland
20 (2015 Replacement Volume and 2020 Supplement)

21 to be

22 Article – State Government
23 Section 9–305.1
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2020 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – Economic Development
28 Section 2.5–109(a)(3), 5–501, 5–512(c)(4), 5–555(h), and 14–103(d) and (e)
29 Annotated Code of Maryland
30 (2018 Replacement Volume and 2020 Supplement)

31 BY repealing and reenacting, with amendments,

32 Article – Education
33 Section 11–1001(d) and (e)
34 Annotated Code of Maryland
35 (2018 Replacement Volume and 2020 Supplement)

36 BY repealing and reenacting, with amendments,

37 Article – Environment
38 Section 9–345(d)(5), 9–421(d)(5), 9–1605.2(i)(5)(v), and 9–1605.3(f)(2)(v)
39 Annotated Code of Maryland
40 (2014 Replacement Volume and 2020 Supplement)

41 BY repealing and reenacting, with amendments,

42 Article – Health – General

- 1 Section 13–3302(f)(2)(i)3., 13–3305.2(a), and 20–1004(21)
2 Annotated Code of Maryland
3 (2019 Replacement Volume and 2020 Supplement)
- 4 BY repealing and reenacting, with amendments,
5 Article – Housing and Community Development
6 Section 4–501.1(d) and (e)
7 Annotated Code of Maryland
8 (2019 Replacement Volume and 2020 Supplement)
- 9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 20–303(c)(3) and (4) and 24–310(d) and (e)
12 Annotated Code of Maryland
13 (2017 Replacement Volume and 2020 Supplement)
- 14 BY repealing and reenacting, with amendments,
15 Article – Public Utilities
16 Section 7–704.1(d)(4)(iii) and (i)(3)(i)
17 Annotated Code of Maryland
18 (2020 Replacement Volume and 2020 Supplement)
- 19 BY repealing and reenacting, with amendments,
20 Article – State Finance and Procurement
21 Section 6–222(f)(3) and (4), 10A–404(c)(1), 14–302(a)(1)(ii), (iii), (iv), and (vi), (2), (8),
22 and (9)(v), 14–303(b)(20), 14–305, 14–308(c), 14–503, 14–505, and 14–604
23 Annotated Code of Maryland
24 (2015 Replacement Volume and 2020 Supplement)
- 25 BY repealing and reenacting, with amendments,
26 Article – State Government
27 Section 2–1505.2, 8–201(b)(17), (18), and (19), 9–1A–10(a)(1)(i)1. and (b)(2), (3), and
28 (4), 9–1A–23(d)(2), 9–1A–36(l)(3); 9–301 through 9–303, 9–303.1, 9–303.2, and
29 9–304 through 9–306 to be under the amended subtitle “Subtitle 3.
30 Department of Small Business, Entrepreneurship, and Innovation”; and
31 9–20C–02(c)(5)
32 Annotated Code of Maryland
33 (2014 Replacement Volume and 2020 Supplement)
- 34 BY adding to
35 Article – State Government
36 Section 8–201(b)(17)
37 Annotated Code of Maryland
38 (2014 Replacement Volume and 2020 Supplement)
- 39 BY repealing and reenacting, with amendments,
40 Article – State Government

1 Section 9–305.1(a)
 2 Annotated Code of Maryland
 3 (2014 Replacement Volume and 2020 Supplement)
 4 (As enacted by Section 1 of this Act)

5 BY repealing and reenacting, without amendments,
 6 Article – State Government
 7 Section 9–305.1(b)(1)
 8 Annotated Code of Maryland
 9 (2014 Replacement Volume and 2020 Supplement)
 10 (As enacted by Section 1 of this Act)

11 BY repealing and reenacting, with amendments,
 12 Article – State Personnel and Pensions
 13 Section 21–116(d)(3) and (4) and 35–302(d)(3) and (4)
 14 Annotated Code of Maryland
 15 (2015 Replacement Volume and 2020 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 17 That Section(s) 2–103.1 of Article – Business Regulation of the Annotated Code of Maryland
 18 be transferred to be Section(s) 9–305.1 of Article – State Government of the Annotated Code
 19 of Maryland.

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

22 Article – Economic Development

23 2.5–109.

24 (a) In this section, “economic development program” means:

25 (3) **EXCEPT FOR THE MARYLAND SMALL BUSINESS DEVELOPMENT**
 26 **FINANCING AUTHORITY ESTABLISHED UNDER TITLE 5, SUBTITLE 5 OF THIS**
 27 **ARTICLE**, each of the economic development and financial assistance programs established
 28 under Title 5 of this article; and

29 5–501.

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

31 (b) “Authority” means the Maryland Small Business Development Financing
 32 Authority.

33 (c) **“DEPARTMENT” MEANS THE DEPARTMENT OF SMALL BUSINESS,**
 34 **ENTREPRENEURSHIP, AND INNOVATION.**

1 [(c)] (D) “Financial institution” means:

2 (1) a financial institution, as defined in § 1–101 of the Financial
3 Institutions Article; and

4 (2) any other lender that the Authority approves.

5 [(d)] (E) (1) “Loan document” means an instrument or agreement that
6 evidences, secures, or guarantees a loan.

7 (2) “Loan document” includes a note, financing statement, mortgage,
8 pledge, assignment, loan and security agreement, or guaranty.

9 (F) **“SECRETARY” MEANS THE SECRETARY FOR SMALL BUSINESS.**

10 [(e)] (G) (1) “Working capital” means money used to meet the cash needs of
11 an operating business entity.

12 (2) “Working capital” does not include money used for a capital purchase.

13 5–512.

14 (c) The Authority shall:

15 (4) [in accordance with § 2.5–109 of this article,] **ON OR BEFORE**
16 **DECEMBER 1 EACH YEAR, BEGINNING IN 2021**, submit a report **TO THE DEPARTMENT**
17 **AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE**
18 **GENERAL ASSEMBLY**, on its condition and operations.

19 5–555.

20 (h) [In accordance with § 2.5–109 of this article] **ON OR BEFORE DECEMBER 1**
21 **EACH YEAR, BEGINNING IN 2021**, the Authority shall submit a report **TO THE**
22 **DEPARTMENT** on the Program.

23 14–103.

24 (d) In conjunction with the [Governor’s Office of Small, Minority, and Women
25 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
26 **INNOVATION**, the Department shall develop guidelines to assist it in identifying and
27 evaluating qualified minority business enterprises in order to help it achieve the objective
28 for greater use of minority business enterprises for brokerage and investment management
29 services under this article.

30 (e) On or before September 1 each year, the Department shall submit a report to
31 the [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF**

1 **SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, subject to § 2–1257
2 of the State Government Article, the General Assembly on:

3 (1) the identity of the minority business enterprise brokerage and
4 investment management services firms used by any fund established under this article in
5 the immediately preceding fiscal year;

6 (2) the percentage and dollar value of the assets under the custody of each
7 entity that are under the investment control of minority business enterprise brokerage and
8 investment management services firms in each allocated asset class; and

9 (3) the measures the entity undertook in the immediately preceding fiscal
10 year in accordance with subsection (c)(2) of this section.

11 **Article – Education**

12 11–1001.

13 (d) In conjunction with the [Governor’s Office of Small, Minority, and Women
14 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
15 **INNOVATION**, the Commission shall develop guidelines to assist the Commission in
16 identifying and evaluating qualified minority business enterprises in order to help the
17 Commission achieve the objective for greater use of minority business enterprises for
18 brokerage and investment management services for any fund established under this
19 Division III.

20 (e) On or before September 1 each year, the Commission shall submit a report to
21 the [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF**
22 **SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, subject to § 2–1257
23 of the State Government Article, the General Assembly on:

24 (1) The identity of the minority business enterprise brokerage and
25 investment management services firms used by the Commission in the immediately
26 preceding fiscal year;

27 (2) The percentage and dollar value of the Commission’s assets in any fund
28 established under this article that are under the investment control of minority business
29 enterprise brokerage and investment management services firms in each allocated asset
30 class; and

31 (3) The measures the Commission undertook in the immediately preceding
32 fiscal year in accordance with subsection (c)(2) of this section.

33 **Article – Environment**

34 9–345.

1 (d) For financial assistance over \$500,000 awarded under the Fund, the applicant
2 shall demonstrate, to the satisfaction of the Department, that steps were taken to include
3 small business enterprises, minority business enterprises, and women's business
4 enterprises by:

5 (5) Using the services and assistance of the Maryland Department of
6 Transportation and the [Governor's Office of Small, Minority, and Women Business
7 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
8 **INNOVATION** in identifying and soliciting small business enterprises, minority business
9 enterprises, and women's business enterprises.

10 9-421.

11 (d) For financial assistance over \$500,000 awarded under the Fund, the applicant
12 shall demonstrate, to the satisfaction of the Department, that steps were taken to include
13 small business enterprises, minority business enterprises, and women's business
14 enterprises by:

15 (5) Using the services and assistance of the Maryland Department of
16 Transportation and the [Governor's Office of Small, Minority, and Women Business
17 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
18 **INNOVATION** in identifying and soliciting small business enterprises, minority business
19 enterprises, and women's business enterprises.

20 9-1605.2.

21 (i) (5) The grant agreement shall require a grantee to demonstrate, to the
22 satisfaction of the Department, that steps were taken to include small business enterprises,
23 minority business enterprises, and women's business enterprises by:

24 (v) Using the services and assistance of the Maryland Department
25 of Transportation and the [Governor's Office of Small, Minority, and Women Business
26 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
27 **INNOVATION** in identifying and soliciting small business enterprises, minority business
28 enterprises, and women's business enterprises.

29 9-1605.3.

30 (f) (2) For financial assistance over \$500,000 awarded under the Fund, the
31 grantee shall demonstrate, to the satisfaction of the Department, that steps were taken to
32 include small businesses, certified minority business enterprises, and certified minority
33 business enterprises classified as women-owned businesses by:

34 (v) Using the services and assistance of the Department of
35 Transportation and the [Governor's Office of Small, Minority, and Women Business

1 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
2 **INNOVATION** in identifying and soliciting small businesses, certified minority business
3 enterprises, and certified minority business enterprises classified as women-owned
4 businesses.

5 **Article – Health – General**

6 13–3302.

7 (f) (2) The outreach required under paragraph (1)(i) of this subsection shall
8 include:

9 (i) Developing partnerships with:

10 3. The [Governor’s Office of Small, Minority, and Women
11 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
12 **INNOVATION**;

13 13–3305.2.

14 (a) The Commission, in consultation with the certification agency as defined in §
15 14–301 of the State Finance and Procurement Article, the [Governor’s Office of Small,
16 Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS,**
17 **ENTREPRENEURSHIP, AND INNOVATION**, and the Office of the Attorney General, shall:

18 (1) Evaluate a study of the medical cannabis industry and market to
19 determine whether there is a compelling interest to implement remedial measures,
20 including the application of the State Minority Business Enterprise Program under Title
21 14, Subtitle 3 of the State Finance and Procurement Article or a similar program, to assist
22 minorities and women in the medical cannabis industry;

23 (2) Evaluate race-neutral programs or other methods that may be used to
24 address the needs of minority and women applicants and minority and women-owned
25 businesses seeking to participate in the medical cannabis industry; and

26 (3) Submit emergency regulations, in accordance with Title 10, Subtitle 1
27 of the State Government Article, to implement remedial measures, if necessary and to the
28 extent permitted by State and federal law, based on the findings of the study evaluated
29 under item (1) of this subsection.

30 20–1004.

31 The Office shall:

32 (21) Work collaboratively with the [Governor’s Office of Small, Minority,
33 and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS,**

1 **ENTREPRENEURSHIP, AND INNOVATION** as the Office determines necessary; and

2 **Article – Housing and Community Development**

3 4–501.1.

4 (d) In conjunction with the [Governor’s Office of Small, Minority, and Women
5 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
6 **INNOVATION**, the Department shall develop guidelines to assist it in identifying and
7 evaluating qualified minority business enterprises in order to help the Department achieve
8 the objective for greater use of minority business enterprises for brokerage and investment
9 management services for the funds established under this subtitle.

10 (e) On or before September 1 each year, the Department shall submit a report to
11 the [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF**
12 **SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, subject to § 2–1257
13 of the State Government Article, the General Assembly on:

14 (1) the identity of the minority business enterprise brokerage and
15 investment management services firms used by the Department in the immediately
16 preceding fiscal year;

17 (2) the percentage and dollar value of the assets in the funds established
18 under this subtitle that are under the investment control of minority business enterprise
19 brokerage and investment management services firms in each allocated asset class; and

20 (3) the measures the Department undertook in the immediately preceding
21 fiscal year in accordance with subsection (c)(2) of this section.

22 **Article – Insurance**

23 20–303.

24 (c) (3) In conjunction with the [Governor’s Office of Small, Minority, and
25 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,**
26 **AND INNOVATION**, the financial management committee shall develop guidelines to assist
27 the committee in identifying and evaluating qualified minority business enterprises in
28 order to help the Fund achieve the objective for greater use of minority business enterprises
29 for brokerage and investment management services.

30 (4) On or before September 1 each year, the financial management
31 committee shall submit a report to the [Governor’s Office of Small, Minority, and Women
32 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
33 **INNOVATION** and, subject to § 2–1257 of the State Government Article, the General
34 Assembly on:

1 (i) the identity of the minority business enterprise brokerage and
 2 investment management services firms used by the financial management committee in
 3 the immediately preceding fiscal year;

4 (ii) the percentage and dollar value of the Fund assets that are under
 5 the investment control of minority business enterprise brokerage and investment
 6 management services firms in each allocated asset class; and

7 (iii) the measures the financial management committee undertook in
 8 the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this
 9 subsection.

10 24–310.

11 (d) In conjunction with the [Governor’s Office of Small, Minority, and Women
 12 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
 13 **INNOVATION**, the Board shall develop guidelines to assist it in identifying and evaluating
 14 qualified minority business enterprises in order to help the Company achieve the objective
 15 for greater use of minority business enterprises for brokerage and investment management
 16 services.

17 (e) On or before September 1 each year, the Board shall submit a report to the
 18 [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF**
 19 **SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, in accordance with §
 20 2–1257 of the State Government Article, the General Assembly on:

21 (1) the identity of the minority business enterprise brokerage and
 22 investment management services firms used by the Board in the immediately preceding
 23 fiscal year;

24 (2) the percentage and dollar value of the Company assets that are under
 25 the investment control of minority business enterprise brokerage and investment
 26 management services firms; and

27 (3) the measures the Board undertook in the immediately preceding fiscal
 28 year in accordance with subsection (c)(2) of this section.

29 Article – Public Utilities

30 7–704.1.

31 (d) (4) (iii) The [Governor’s Office of Small, Minority, and Women Business
 32 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
 33 **INNOVATION**, in consultation with the Office of the Attorney General, shall provide
 34 assistance to all potential applicants and potential minority investors to satisfy the
 35 requirements under subparagraph (ii)1 and 3 of this paragraph.

1 (i) (3) (i) On or before 6 months after the issuance of an order approving
2 an OREC application, the [Governor's Office of Small, Minority, and Women Business
3 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND**
4 **INNOVATION**, in consultation with the Office of the Attorney General and an approved
5 applicant, shall establish a clear plan for setting reasonable and appropriate minority
6 business enterprise participation goals and procedures for each phase of the qualified
7 offshore wind project.

8 Article – State Finance and Procurement

9 6–222.

10 (f) (3) In conjunction with the [Governor's Office of Small, Minority, and
11 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,**
12 **AND INNOVATION**, the Treasurer shall develop guidelines to assist in identifying and
13 evaluating qualified minority business enterprises in order to help the Treasurer achieve
14 the objective for greater use of minority business enterprises for brokerage and investment
15 management services under this section.

16 (4) On or before September 1 each year, the Treasurer shall submit a report
17 to the [Governor's Office of Small, Minority, and Women Business Affairs] **DEPARTMENT**
18 **OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, subject to §
19 2–1257 of the State Government Article, the General Assembly on:

20 (i) the identity of the minority business enterprise brokerage and
21 investment management services firms used by the Treasurer in the immediately
22 preceding fiscal year;

23 (ii) the percentage and dollar value of the assets under the custody
24 of the Treasurer that are under the investment control of minority business enterprise
25 brokerage and investment management services firms for each allocated asset class; and

26 (iii) the measures the Treasurer undertook in the immediately
27 preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

28 10A–404.

29 (c) (1) The Board of Public Works may not approve a public–private
30 partnership agreement under § 10A–203 of this title until the reporting agency, in
31 consultation with the [Governor's Office of Small, Minority, and Women Business Affairs]
32 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION**, the
33 Office of the Attorney General, and the private entity, if permissible, establishes reasonable
34 and appropriate minority business enterprise participation goals and procedures for the
35 project.

1 14–302.

2 (a) (1) (ii) 1. The overall percentage goal shall be established on a
3 biennial basis by the [Special] Secretary for [the Office of Small, Minority, and Women
4 Business Affairs] **SMALL BUSINESS**, in consultation with the Secretary of Transportation
5 and the Attorney General.

6 2. During any year in which there is a delay in establishing
7 the overall goal, the previous year’s goal will apply.

8 (iii) 1. In consultation with the Secretary of Transportation and
9 the Attorney General, the [Special] Secretary for [the Office of Small, Minority, and Women
10 Business Affairs] **SMALL BUSINESS** shall establish guidelines on a biennial basis for each
11 unit to consider while determining whether to set subgoals for the minority groups listed
12 in § 14–301(k)(1)(i)1, 2, 3, 4, and 6 of this subtitle.

13 2. During any year in which there is a delay in establishing
14 the subgoal guidelines, the previous year’s subgoal guidelines will apply.

15 (iv) 1. The [Special] Secretary for [the Office of Small, Minority,
16 and Women Business Affairs] **SMALL BUSINESS**, in consultation with the Secretary of
17 Transportation and the Attorney General, shall establish goals and subgoal guidelines that,
18 to the maximum extent feasible, approximate the level of minority business enterprise
19 participation that would be expected in the absence of discrimination.

20 2. In establishing overall goals and subgoal guidelines, the
21 [Special] Secretary for [the Office of Small, Minority, and Women Business Affairs] **SMALL**
22 **BUSINESS** shall provide for public participation by consulting with minority, women’s, and
23 general contractor groups, community organizations, and other officials or organizations
24 that could be expected to have information concerning:

25 A. the availability of minority– and women–owned
26 businesses;

27 B. the effects of discrimination on opportunities for
28 minority– and women–owned businesses; and

29 C. the State’s operation of the Minority Business Enterprise
30 Program.

31 (vi) Notwithstanding § 12–101 of this article, the [Special] Secretary
32 for [the Office of Small, Minority, and Women Business Affairs] **SMALL BUSINESS** shall
33 adopt regulations in accordance with Title 10, Subtitle 1 of the State Government Article
34 setting forth the State’s overall goal.

35 (2) The [Special] Secretary for [the Office of Small, Minority, and Women

1 Business Affairs] **SMALL BUSINESS**, in consultation with the Secretary of Transportation
2 and the Attorney General, shall establish guidelines for each unit to consider when
3 determining the appropriate minority business enterprise participation percentage goal for
4 a procurement contract in accordance with paragraph (3) of this subsection.

5 (8) The [Special] Secretary for [the Office of Small, Minority, and Women
6 Business Affairs] **SMALL BUSINESS** shall:

7 (i) in consultation with the Secretary of Transportation and the
8 Attorney General, establish procedures governing how the participation of minority
9 business enterprise prime contractors is counted toward contract goals; and

10 (ii) notwithstanding § 12–101 of this article, adopt regulations
11 setting forth the procedures established in accordance with this paragraph.

12 (9) (v) On or before July 31 of each year, each unit shall submit directly
13 to the Board of Public Works and the [Governor’s Office of Small, Minority, and Women
14 Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND
15 INNOVATION** an annual report of waivers requested and waivers granted under this
16 paragraph.

17 14–303.

18 (b) These regulations shall include:

19 (20) a requirement that each unit work with the [Governor’s Office of Small,
20 Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS,
21 ENTREPRENEURSHIP, AND INNOVATION** to designate certain procurements as being
22 excluded from the requirements of § 14–302(a) of this subtitle; and

23 14–305.

24 (a) (1) Within 90 days after the end of the fiscal year, each unit shall report to
25 the [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF
26 SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION**, the certification agency,
27 and, subject to § 2–1257 of the State Government Article, the Joint Committee on Fair
28 Practices and Personnel Oversight.

29 (2) A report under this subsection shall for the preceding fiscal year:

30 (i) state the total number and value of procurement contracts
31 between the unit and certified minority business enterprises, by specific category of
32 minority business enterprise, including whether the minority business enterprise
33 participated as a prime contractor or as a subcontractor;

34 (ii) indicate the percentage that those procurement contracts

1 represent, by specific category of minority business enterprise, of the total number and
2 value of procurement contracts;

3 (iii) state the total number and the names of certified minority
4 business enterprises that participated as prime contractors or as subcontractors on
5 procurement contracts awarded by a unit;

6 (iv) for each minority business included in the report under item (iii)
7 of this paragraph, list all procurement contracts awarded by a unit to the minority business
8 enterprise, including a description of the contract; and

9 (v) contain other such information as required by the [Governor's
10 Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF SMALL
11 BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and the certification agency and
12 approved by the Board.

13 (3) As to procurement contracts for architectural services and engineering
14 services reported under paragraph (2) of this subsection, the report shall identify by
15 separate category of minority business enterprise procurements for:

16 (i) architectural services; and

17 (ii) engineering services.

18 (4) A report under this subsection shall be in a form prescribed by the
19 [Governor's Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF
20 SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and the certification
21 agency and approved by the Board.

22 (b) (1) On or before December 31 of each year, the [Governor's Office of Small,
23 Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS,
24 ENTREPRENEURSHIP, AND INNOVATION** shall submit to the Board of Public Works and,
25 subject to § 2–1257 of the State Government Article, to the Legislative Policy Committee a
26 report summarizing the information the [Office] **DEPARTMENT** receives under subsection
27 (a) of this section.

28 (2) This report may be prepared in conjunction with the annual report
29 required under § 9–306 of the State Government Article.

30 14–308.

31 (c) The [Governor's Office of Small, Minority, and Women Business Affairs]
32 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** shall
33 make available a fraud hotline for reporting violations of this section.

34 14–503.

1 (a) The [Governor's Office of Small, Minority, and Women Business Affairs]
2 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** shall
3 adopt regulations to establish procedures for compiling and maintaining a comprehensive
4 bidder's list of qualified small businesses that shall be posted on the Internet.

5 (b) The [Governor's Office of Small, Minority, and Women Business Affairs]
6 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** shall:

7 (1) establish guidelines for Small Business Reserve Program
8 administration;

9 (2) ensure agency compliance with the Small Business Reserve Program;

10 (3) provide training and technical assistance to agency personnel; and

11 (4) collect data regarding the State's utilization of small business reserve
12 vendors.

13 (c) Each unit shall ensure compliance with the regulations set forth in subsection
14 (a) of this section.

15 14-505.

16 (a) Within 60 days after the enactment of the budget bill by the General
17 Assembly, each unit shall submit a report to the [Governor's Office of Small, Minority, and
18 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,
19 AND INNOVATION** that complies with the reporting requirements set forth in COMAR
20 21.11.01.06.

21 (b) (1) Within 90 days after the end of each fiscal year, each unit shall submit
22 a report to the [Governor's Office of Small, Minority, and Women Business Affairs]
23 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** that
24 complies with the requirements of paragraph (2) of this subsection.

25 (2) For the preceding fiscal year, the report shall:

26 (i) state the total number and the dollar value of payments the unit
27 made to small businesses under designated small business reserve contracts;

28 (ii) state the total number and the dollar value of payments the unit
29 made to small businesses under nondesignated small business reserve contracts, including
30 purchase card procurements;

31 (iii) state the total dollar value of payments the unit made under
32 procurement contracts; and

1 (iv) contain other such information as required by the Governor's
2 Office of Small, Minority, and Women Business Affairs.

3 (c) On or before December 31 of each year, the [Governor's Office of Small,
4 Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS,
5 ENTREPRENEURSHIP, AND INNOVATION** shall submit to the Board of Public Works and,
6 subject to § 2–1257 of the State Government Article, to the Legislative Policy Committee a
7 report summarizing the information the Office receives under subsection (b) of this section.

8 14–604.

9 The [Governor's Office of Small, Minority, and Women Business Affairs]
10 **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** shall:

11 (1) adopt regulations to implement this subtitle;

12 (2) establish procedures for tracking and reporting participation of
13 veteran-owned small business enterprises under this subtitle; and

14 (3) on or before December 1 of each year, report to the Legislative Policy
15 Committee on:

16 (i) the number and amount of contracts awarded to veteran-owned
17 small business enterprises under this subtitle; and

18 (ii) the effectiveness of the program under this subtitle.

19 **Article – State Government**

20 2–1505.2.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) “Committee” means the Joint Committee on Administrative, Executive,
23 and Legislative Review.

24 **(3) “DEPARTMENT” MEANS THE DEPARTMENT OF SMALL BUSINESS,
25 ENTREPRENEURSHIP, AND INNOVATION.**

26 **[(3)] (4)** “Economic impact analysis” means an estimate of the cost or the
27 economic benefit to small businesses that may be affected by a regulation proposed by an
28 agency pursuant to Title 10, Subtitle 1 of this article.

29 **[(4)] (5)** “Economic impact analysis rating” means an estimate that a
30 proposed regulation will have:

1 (i) minimal or no economic impact on small businesses; or

2 (ii) meaningful economic impact on small businesses.

3 **[(5)] (6)** “Small business” means a corporation, partnership, sole
4 proprietorship, or other business entity, including its affiliates, that:

5 (i) is independently owned and operated;

6 (ii) is not dominant in its field; and

7 (iii) employs 50 or fewer full-time employees.

8 (b) (1) An economic impact analysis rating and an economic impact analysis,
9 as appropriate, shall be prepared by:

10 **(I)** the appropriate Executive Branch agency for each regulation
11 that the agency proposes for adoption [pursuant to] **UNDER** Title 10, Subtitle 1 of this
12 article; **AND**

13 **(II) THE DEPARTMENT FOR EACH REGULATION PROPOSED BY**
14 **ANY EXECUTIVE BRANCH AGENCY UNDER TITLE 10, SUBTITLE 1 OF THIS ARTICLE.**

15 (2) A copy of [the] **EACH** economic impact analysis rating and [the] **EACH**
16 economic impact analysis required under this subsection shall be submitted by the
17 appropriate agency **OR THE DEPARTMENT, AS APPLICABLE:**

18 (i) to the Department of Legislative Services no later than the time
19 the agency submits the regulation to the Committee to allow the Department **OF**
20 **LEGISLATIVE SERVICES** to comment on the economic impact analysis rating and the
21 economic impact analysis; and

22 (ii) to the Committee at the time the agency submits the regulation
23 to the Committee.

24 (c) (1) If the appropriate Executive Branch agency, **THE DEPARTMENT**, or
25 the Department of Legislative Services determines that a regulation will have minimal or
26 no economic impact on small businesses, the agency, **DEPARTMENT**, or Department **OF**
27 **LEGISLATIVE SERVICES** shall indicate that determination by a brief written statement.

28 (2) If the appropriate Executive Branch agency, **THE DEPARTMENT**, or
29 the Department of Legislative Services determines that a regulation will have a meaningful
30 economic impact on small businesses, the agency, **THE DEPARTMENT**, or **THE** Department
31 **OF LEGISLATIVE SERVICES** shall develop a complete written economic impact analysis.

1 (3) (i) If the appropriate Executive Branch agency, **THE**
2 **DEPARTMENT**, or the Department **OF LEGISLATIVE SERVICES** determines that a
3 regulation will have a meaningful economic impact on small businesses and is unable to
4 provide a complete written economic impact analysis, the agency, **THE DEPARTMENT**, or
5 **THE** Department **OF LEGISLATIVE SERVICES** shall provide a written explanation of why
6 the agency determined that the regulation will have a meaningful economic impact.

7 (ii) The explanation may identify the impact in general terms and
8 need not quantify the specific economic impact.

9 (d) The economic impact analysis rating and the economic impact analysis
10 required under this section shall include:

11 (1) estimates directly relating to the following factors, as appropriate:

12 (i) cost of providing goods and services;

13 (ii) effect on the workforce;

14 (iii) effect on the cost of housing;

15 (iv) efficiency in production and marketing;

16 (v) capital investment, taxation, competition, and economic
17 development; and

18 (vi) consumer choice; and

19 (2) a certification stating, after posting the regulation or scope of the
20 regulation as required by § 10–110(d)(3)(vii) of this article, whether the agency has received
21 notice of whether any existing regulation of a comparable nature that is at least as
22 stringent as the proposed regulation has been adopted by a unit of a local government.

23 (e) (1) The Executive Branch agency, **THE DEPARTMENT**, or the Department
24 of Legislative Services preparing the economic impact analysis rating and the economic
25 impact analysis required under this section shall consult with, as appropriate:

26 (i) other units of State government;

27 (ii) units of local government; and

28 (iii) business, trade, consumer, labor, and other groups impacted by
29 or having an interest in the regulation.

30 (2) On request of the Executive Director of the Department of Legislative

1 Services, a unit of the State or a local government shall provide the Department OF
2 **LEGISLATIVE SERVICES** with assistance or information in the preparation of an economic
3 impact analysis rating and economic impact analysis.

4 (3) If the promulgating unit certifies, after posting the regulation or scope
5 of the regulation as required by § 10–110(d)(3)(vii) of this article, that the unit has received
6 notice of and determined that an existing regulation of a comparable nature that is at least
7 as stringent as the proposed regulation has been adopted by any unit of local government,
8 the unit may include in the unit’s proposed regulation a statement that compliance with
9 the local regulation will constitute compliance with the proposed regulation.

10 (f) The Department of Legislative Services shall:

11 (1) comment on the economic impact analysis rating and economic impact
12 analysis prepared by:

13 (I) the appropriate Executive Branch agency; and

14 (II) **THE DEPARTMENT; AND**

15 (2) transmit its comment to the Committee.

16 (g) The Department of Legislative Services shall revise [the] **EACH** economic
17 impact analysis rating and economic impact analysis consistent with an amended version
18 of a regulation.

19 (h) (1) The Department of Legislative Services shall keep a copy of each
20 economic impact analysis rating and economic impact analysis for 3 years after preparation
21 of the rating or the analysis.

22 (2) The copies shall be reasonably available for public inspection.

23 (i) Economic impact analysis ratings and economic impact analyses shall be
24 published in the Maryland Register at the same time as:

25 (1) a notice of proposed adoption of a regulation is published in the
26 Maryland Register; or

27 (2) a notice of emergency adoption for a regulation is published in the
28 Maryland Register.

29 (j) The validity of an enactment of a regulation is not affected by the presence,
30 absence, or content of an economic impact analysis rating or an economic impact analysis.

31 (k) (1) The Department of Budget and Management shall enter into an
32 agreement with an appropriate entity to provide training to promulgating Executive

1 Branch agencies on the preparation of the economic impact analyses required under this
2 section.

3 (2) The training required to be provided under paragraph (1) of this
4 subsection shall be provided at least once every 2 years.

5 8–201.

6 (b) The principal departments of the Executive Branch of the State government
7 are:

8 **(17) SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION;**

9 **[(17)] (18)** State Police;

10 **[(18)] (19)** Transportation; and

11 **[(19)] (20)** Veterans Affairs.

12 9–1A–10.

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

14 1. the minority business participation goal established for a
15 unit by the [Special] Secretary for [the Office of Small, Minority, and Women Business
16 Affairs] **SMALL BUSINESS** under § 14–302(a)(1)(ii) of the State Finance and Procurement
17 Article; and

18 (b) (2) The [Governor’s Office of Small, Minority, and Women Business
19 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND
20 INNOVATION** shall monitor a licensee’s compliance with subsection (a)(1) and (2) of this
21 section.

22 (3) The [Governor’s Office of Small, Minority, and Women Business
23 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND
24 INNOVATION** shall report to the Commission at least every 6 months on the compliance of
25 licensees with subsection (a)(1) and (2) of this section.

26 (4) If the [Governor’s Office of Small, Minority, and Women Business
27 Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND
28 INNOVATION** reports that a licensee is not in compliance with subsection (a)(1) and (2) of
29 this section, the Commission may take immediate action to ensure the compliance of the
30 licensee.

31 9–1A–23.

(d) (2) Within 3 months after receiving the data required under paragraph (1) of this subsection, the Commission shall submit a report containing the data to the Governor, the [Governor's Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION**, and, subject to § 2-1257 of this article, the President of the Senate and the Speaker of the House of Delegates.

9-1A-36.

(l) (3) The [Governor's Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION**, in consultation with the Office of the Attorney General, shall provide assistance to all potential applicants and potential minority investors to satisfy the requirements under paragraphs (1)(i) and (2) of this subsection.

Subtitle 3. [Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION.**

9-301.

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

(B) "DEPARTMENT" MEANS THE DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION.

[(b)] (C) "Interdepartmental Committee" means the Interdepartmental Advisory Committee on Small BUSINESS, [Minority, and Women Business Affairs] ENTREPRENEURSHIP, AND INNOVATION.

[(c)] (D) (1) "Minority person" means:

(i) an individual who has been deprived of the opportunity to develop and keep a competitive position in the economy because of a social or economic disadvantage that arises from cultural, racial, or other similar causes; or

(ii) a sheltered workshop for individuals with disabilities.

(2) "Minority person" includes:

(i) an Aleut;

(ii) an American Indian;

(iii) a Black;

(iv) an Eskimo;

- 1 (v) a Hispanic;
- 2 (vi) an Oriental;
- 3 (vii) a Puerto Rican; or
- 4 (viii) a woman.

5 [(d) "Office" means the Office of Small, Minority, and Women Business Affairs.]

6 (e) ["Special Secretary"] "**SECRETARY**" means the [Special] Secretary for [the
7 Office of Small, Minority, and Women Business Affairs] **SMALL BUSINESS**.

8 9–302.

9 There is [an Office of Small, Minority, and Women Business Affairs in the Executive
10 Department] **A DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP, AND
11 INNOVATION AS A PRINCIPAL DEPARTMENT OF THE STATE GOVERNMENT.**

12 9–303.

13 (a) The head of the [Office of Small, Minority, and Women Business Affairs]
14 **DEPARTMENT** is the [Special] Secretary, who shall be appointed by and serves at the
15 pleasure of the Governor.

16 **(B) BEFORE TAKING OFFICE, THE SECRETARY SHALL TAKE THE OATH
17 REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.**

18 [(b)] **(C)** The [Special] Secretary shall receive the salary provided in the State
19 budget.

20 9–303.1.

21 (a) There is an Interdepartmental Advisory Committee on Small **BUSINESS,**
22 [Minority, and Women Business Affairs] **ENTREPRENEURSHIP, AND INNOVATION.**

23 (b) The Interdepartmental Committee is composed of:

24 (1) the secretary of each principal department of the Executive Branch of
25 government, or the secretary's designee;

26 (2) the State Superintendent of Schools, or the Superintendent's designee;
27 **AND**

28 (3) the Secretary of Higher Education, or the Secretary's designee[; and

1 (4) the Special Secretary].

2 (c) The Interdepartmental Committee shall:

3 (1) advise the [Special] Secretary on proposals to implement and enhance
4 the duties of the [Office] DEPARTMENT, including the promotion of employment of
5 minority persons in the State, and the promotion of the growth and participation of
6 minority business enterprises in the State;

7 (2) gather such information the Committee deems necessary to promote
8 the goals of the [Office] DEPARTMENT;

9 (3) provide such other assistance as may be required to further the
10 purposes of §§ 9–304 and 9–305 of this subtitle; and

11 (4) meet at the call of the [Special] Secretary.

12 9–303.2.

13 (a) In addition to any duties set forth elsewhere, the [Office] DEPARTMENT shall
14 conduct necessary and appropriate research to determine the nature and extent of the
15 problems concerning black males and offer recommendations exclusively pertinent to black
16 males in the areas of:

17 (1) unemployment;

18 (2) criminal justice;

19 (3) education; and

20 (4) health.

21 (b) As authorized by the Governor, the [Special] Secretary may create an
22 Advisory Committee on Black Males to assist and advise the [Office] DEPARTMENT in
23 developing recommendations in accordance with subsection (a) of this section.

24 (c) The [Office] DEPARTMENT shall submit its findings and recommendations
25 in accordance with this section to the Governor and, subject to § 2–1257 of this article, the
26 General Assembly on or before January 1 EACH YEAR, [1995 and annually thereafter]
27 BEGINNING IN 2022.

28 9–304.

29 Subject to the limitations of any law that governs the activities of other units of the
30 Executive Branch of the State government, the [Special] Secretary shall:

1 (1) advise the Governor on:

2 (i) **ALL MATTERS ASSIGNED TO THE UNITS UNDER THE**
3 **JURISDICTION OF THE DEPARTMENT;**

4 **(II)** the activities of the State government that are intended to
5 promote the employment of minority persons in the State; and

6 ~~[(ii)]~~ **(III)** each other matter that affects the rights and interests of
7 minority persons and the communities in which they live; and

8 (2) as authorized by the Governor:

9 (i) **CARRY OUT THE GOVERNOR'S POLICIES ON MATTERS**
10 **ASSIGNED TO THE UNITS UNDER THE JURISDICTION OF THE DEPARTMENT;**

11 **(II)** provide help to minority persons and the communities in which
12 they live;

13 ~~[(ii)]~~ **(III)** represent the Governor in any matter that relates to
14 minority persons or generally to the promotion of equality among the people of the State;
15 **[and]**

16 **(IV) CREATE A COMMISSION TO STUDY AND ADDRESS A MATTER**
17 **THAT AFFECTS SMALL BUSINESS IN THE STATE; AND**

18 ~~[(iii)]~~ **(V)** perform any other responsibility that the Governor
19 assigns.

20 9–305.

21 (a) This section applies to the following minority business enterprises:

22 (1) a publicly owned business if 1 or more minority persons own at least
23 51% of the stock of the business; or

24 (2) any other business if 1 or more minority persons own at least 50% of
25 the business.

26 (b) Subject to the limitations of any law that governs the activities of other units
27 of the Executive Branch of the State government, the **[Special]** Secretary shall:

28 (1) carry out each State or federal program that is created to promote the
29 growth of or participation in minority business enterprises;

1 (2) promote and coordinate training regarding the requirements of the
2 Minority Business Enterprise Program;

3 (3) promote, coordinate, and participate in the plans, programs, and
4 operations of the State government that promote or otherwise affect the establishment,
5 preservation, and strengthening of minority business enterprises;

6 (4) promote activities and the use of the resources of the State government,
7 local governments, and private entities for the growth of minority business enterprises;

8 (5) coordinate the effort of private entities and public agencies to develop
9 minority business enterprises;

10 (6) establish a system to develop, collect, summarize, and give out
11 information that would help a person to:

12 (i) establish a minority business enterprise;

13 (ii) operate a minority business enterprise successfully; or

14 (iii) promote the establishment and successful operation of minority
15 business enterprises; and

16 (7) subject to the limitations of law and the availability of funds:

17 (i) provide technical and managerial assistance to minority
18 business enterprises;

19 (ii) provide the managerial and organizational framework for
20 private entities and units of the State government to plan and carry out joint undertakings
21 that relate to minority business enterprises; and

22 (iii) pay, wholly or partly, the costs of a pilot or demonstration project
23 that is intended to overcome the special problems of minority business enterprises.

24 9–305.1.

25 (a) (1) In this section the following words have the meanings indicated.

26 (2) “**DEPARTMENT**” MEANS THE **DEPARTMENT OF SMALL BUSINESS,**
27 **ENTREPRENEURSHIP, AND INNOVATION.**

28 (3) “**Executive Director**” means an individual appointed by the Governor
29 who directs the activities of the Office of Small Business Regulatory Assistance and serves
30 as a liaison among businesses, economic development organizations, communities, and
31 federal, State, and local units and agencies.

1 [(3)] (4) “Office” means the Office of Small Business Regulatory
2 Assistance.

3 (b) (1) There is an Office of Small Business Regulatory Assistance in the
4 Department.

5 9–306.

6 (a) On or before the 15th day of each regular session of the General Assembly, the
7 [Special] Secretary shall send an annual report on the [Office of Small, Minority, and
8 Women Business Affairs] **DEPARTMENT:**

9 (1) to the Governor; and

10 (2) subject to § 2–1257 of this article, to the General Assembly.

11 (b) The annual report:

12 (1) may be prepared in conjunction with the report required under §
13 14–305(b) of the State Finance and Procurement Article; **AND**

14 (2) **SHALL INCLUDE:**

15 (I) **AN UPDATE ON THE STATUS OF SMALL BUSINESS IN THE**
16 **STATE, INCLUDING SMALL BUSINESS ACCESS TO CAPITAL;**

17 (II) **SCORECARDS FOR EACH UNIT ON PARTICIPATION IN THE**
18 **MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE**
19 **STATE FINANCE AND PROCUREMENT ARTICLE AND THE SMALL BUSINESS**
20 **RESERVE PROGRAM UNDER TITLE 14, SUBTITLE 5 OF THE STATE FINANCE AND**
21 **PROCUREMENT ARTICLE;**

22 (III) **AN UPDATE ON SMALL BUSINESS OUTREACH AND TRAINING**
23 **EFFORTS; AND**

24 (IV) **AN UPDATE ON PROJECTS UNDERTAKEN IN CONSULTATION**
25 **WITH LOCAL ECONOMIC DEVELOPMENT CORPORATIONS TO CREATE SMALL**
26 **BUSINESS ECOSYSTEMS THROUGHOUT THE STATE.**

27 9–20C–02.

28 (c) The Advisory Committee consists of the following members:

29 (5) the [Special] Secretary [of the Governor’s Office of Small, Minority, and
30 Women Business Affairs] **FOR SMALL BUSINESS**, or the [Special] Secretary’s designee;

1 and

2 **Article – State Personnel and Pensions**

3 21–116.

4 (d) (3) In consultation with the [Governor’s Office of Small, Minority, and
5 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,
6 AND INNOVATION** and the Investment Committee, the Board of Trustees shall develop
7 guidelines to assist the Investment Committee in identifying and evaluating qualified
8 minority business enterprises in order to help the State Retirement Agency achieve the
9 objective for greater use of minority business enterprises for brokerage and investment
10 management services.

11 (4) On or before September 1 each year, the Investment Committee shall
12 submit a report to the Board of Trustees, the [Governor’s Office of Small, Minority, and
13 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,
14 AND INNOVATION** and, subject to § 2–1257 of the State Government Article, the General
15 Assembly on:

16 (i) the identity of the minority business enterprise brokerage and
17 investment management services firms used by the Investment Committee in the
18 immediately preceding fiscal year;

19 (ii) the percentage and dollar value of the assets that are under the
20 control of the Investment Committee that are under the investment control of minority
21 business enterprise brokerage and investment management services firms for each
22 allocated asset class; and

23 (iii) the measures the Investment Committee undertook in the
24 immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

25 35–302.

26 (d) (3) In consultation with the [Governor’s Office of Small, Minority, and
27 Women Business Affairs] **DEPARTMENT OF SMALL BUSINESS, ENTREPRENEURSHIP,
28 AND INNOVATION**, the Board shall develop guidelines to assist the Board in identifying
29 and evaluating qualified minority business enterprises in order to help the Maryland
30 Teachers and State Employees Supplemental Retirement Plans achieve the objective for
31 greater use of minority business enterprises for brokerage and investment management
32 services.

33 (4) On or before September 1 each year, the Board shall submit a report to
34 the [Governor’s Office of Small, Minority, and Women Business Affairs] **DEPARTMENT OF
35 SMALL BUSINESS, ENTREPRENEURSHIP, AND INNOVATION** and, subject to § 2–1257
36 of the State Government Article, the General Assembly on:

1 (i) the identity of the minority business enterprise brokerage and
2 investment management services firms used by the Board in the immediately preceding
3 fiscal year;

4 (ii) the percentage and dollar value of the assets that are under the
5 control of the Board that are under the investment control of minority business enterprise
6 brokerage and investment management services firms for each allocated asset class; and

7 (iii) the measures the Board undertook in the immediately preceding
8 fiscal year in accordance with paragraph (2)(ii) of this subsection.

9 SECTION 3. AND BE IT FURTHER ENACTED, That, on the effective date of this
10 Act, the following shall be transferred to the Department of Small Business,
11 Entrepreneurship, and Innovation:

12 (1) the responsibilities of the Governor's Office of Small, Minority, and
13 Women Business Affairs;

14 (2) the responsibilities of the Department of Commerce to oversee the
15 Maryland Small Business Development Financing Authority;

16 (3) the responsibilities of the Maryland Department of Labor to oversee the
17 Office of Small Business Regulatory Assistance;

18 (4) all appropriations, including State and federal funds, held by the
19 Governor's Office of Small, Minority, and Women Business Affairs, the Maryland Small
20 Business Development Financing Authority, or the Office of Small Business Regulatory
21 Assistance on the effective date of this Act; and

22 (5) all of the functions, powers, duties, books and records (including
23 electronic records), real and personal property, equipment, fixtures, assets, liabilities,
24 obligations, credits, rights, and privileges of the Governor's Office of Small, Minority, and
25 Women Business Affairs, the Department of Commerce and assigned for the use of the
26 Maryland Small Business Development Financing Authority, or the Maryland Department
27 of Labor and assigned for use of the Office of Small Business Regulatory Assistance.

28 SECTION 4. AND BE IT FURTHER ENACTED, That all employees of the
29 Governor's Office of Small, Minority, and Women Business Affairs, the Department of
30 Commerce assigned more than 50% of the time to the Maryland Small Business
31 Development Financing Authority, or the Maryland Department of Labor assigned more
32 than 50% of the time to the Office of Small Business Regulatory Assistance on the effective
33 date of this Act shall be transferred to the Department of Small Business,
34 Entrepreneurship, and Innovation without diminution of their rights, benefits,
35 employment, or retirement status.

36 SECTION 5. AND BE IT FURTHER ENACTED, That all positions at the Governor's

1 Office of Small, Minority, and Women Business Affairs, the Department of Commerce
2 assigned more than 50% of the time to the Maryland Small Business Development
3 Financing Authority, or the Maryland Department of Labor assigned more than 50% of the
4 time to the Office of Small Business Regulatory Assistance on the effective date of this Act
5 shall be transferred to the Department of Small Business, Entrepreneurship, and
6 Innovation.

7 SECTION 6. AND BE IT FURTHER ENACTED, That any recipient of a loan from
8 the Maryland Small Business Development Financing Authority on or before the effective
9 date of this Act may not have any change to the terms of the loan or loan status as a result
10 of this Act.

11 SECTION 7. AND BE IT FURTHER ENACTED, That any transaction affected by
12 the transfer of a program managed by the Maryland Small Business Development
13 Financing Authority from the Department of Commerce to the Department of Small
14 Business, Entrepreneurship, and Innovation and validly entered into before the effective
15 date of this Act, and every right, duty, or interest flowing from it remains valid after the
16 effective date of this Act and may be terminated, completed, consummated, or enforced
17 under the law.

18 SECTION 8. AND BE IT FURTHER ENACTED, That all existing laws, regulations,
19 proposed regulations, standards and guidelines, policies, orders and other directives, forms,
20 plans, memberships, contracts, property, investigations, administrative and judicial
21 responsibilities, rights to sue and be sued, and all other duties and responsibilities
22 associated with the functions of the Governor's Office of Small, Minority, and Women
23 Business Affairs, the Maryland Small Business Development Financing Authority, or the
24 Office of Small Business Regulatory Assistance prior to the effective date of this Act shall
25 continue and, as appropriate, are legal and binding on the Department of Small Business,
26 Entrepreneurship, and Innovation until completed, withdrawn, canceled, modified, or
27 otherwise changed under the law.

28 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2021.