

SENATE BILL 421

C7, P2

9lr1840
CF 9lr1842

By: **Senators Benson, Carter, Ferguson, Hayes, Lam, Lee, Patterson, and Peters**
Introduced and read first time: February 1, 2019
Assigned to: Budget and Taxation

A BILL ENTITLED

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:

21 **Article – State Government**

22 9–1A–10.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 1. the minority business participation goal established for a
2 unit by the Special Secretary for the Office of Small, Minority, and Women Business Affairs
3 under § 14-302(a)(1)(ii) of the State Finance and Procurement Article; and

4 2. any other corresponding provisions of law under Title 14,
5 Subtitle 3 of the State Finance and Procurement Article.

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

7 1. construction related to video lottery terminals; and

8 2. procurement related to the operation of video lottery
9 terminals, including procurement of equipment and ongoing services.

10 (2) If the county in which a video lottery facility will be located has higher
11 minority business participation requirements than the State as described in paragraph (1)
12 of this subsection, the applicant shall meet the county's minority business participation
13 requirements to the extent possible.

14 (3) A county in which a video lottery facility will be located may impose
15 local business, local minority business participation, and local hiring requirements to the
16 extent authorized by local law and permitted by the United States Constitution.

17 (4) Any collective bargaining agreement or agreements, including a project
18 labor agreement or a neutrality agreement, entered into by an applicant or licensee may
19 not negate the requirements of this subsection.

20 (5) If an applicant for employment at a video lottery facility believes that
21 the applicant has been discriminated against in the employment process, the applicant may
22 appeal the employment decision to the local human relations board in the county where the
23 facility is located.

24 (6) Notwithstanding any collective bargaining agreement or agreements, a
25 licensee shall:

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

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

29 (7) A licensee shall:

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

31 (ii) if the licensee is a racetrack licensee, provide retirement benefits
32 to its video lottery operation employees that are equivalent to the level of benefits provided
33 to the racetrack employees who are eligible under the Maryland Racetrack Employees

1 Pension Fund.

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

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

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

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

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

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

20 Chapter 335 of the Acts of 2018

21 SECTION 2. AND BE IT FURTHER ENACTED, That the agency designated by the
22 Board of Public Works under § 14-303(b) of the State Finance and Procurement Article to
23 certify and decertify minority business enterprises, in consultation with the General
24 Assembly and the Office of the Attorney General, shall initiate a study of the Minority
25 Business Enterprise Program to evaluate the Program's continued compliance with the
26 requirements of the decision of *Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and any
27 subsequent federal or constitutional requirements. In preparation for the study, the State
28 Lottery and Gaming Control Commission shall require video lottery operation license
29 applicants and licensees to provide any information necessary to perform the study. The
30 study shall also evaluate race-neutral programs or other methods that can be used to
31 address the needs of minority investors and minority businesses. The final report on the
32 study shall be submitted to the Legislative Policy Committee on or before [December 14,
33 2018,] **DECEMBER 13, 2019**, so that the General Assembly may review the report before
34 the [2019] **2020** Session.

35 Chapter 336 of the Acts of 2018

36 SECTION 2. AND BE IT FURTHER ENACTED, That the agency designated by the
37 Board of Public Works under § 14-303(b) of the State Finance and Procurement Article to

1 certify and decertify minority business enterprises, in consultation with the General
2 Assembly and the Office of the Attorney General, shall initiate a study of the Minority
3 Business Enterprise Program to evaluate the Program's continued compliance with the
4 requirements of the decision of *Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and any
5 subsequent federal or constitutional requirements. In preparation for the study, the State
6 Lottery and Gaming Control Commission shall require video lottery operation license
7 applicants and licensees to provide any information necessary to perform the study. The
8 study shall also evaluate race-neutral programs or other methods that can be used to
9 address the needs of minority investors and minority businesses. The final report on the
10 study shall be submitted to the Legislative Policy Committee on or before [December 14,
11 2018,] **DECEMBER 13, 2019**, so that the General Assembly may review the report before
12 the [2019] **2020** Session.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2019.