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By: **Delegates Taylor, Benson, Bronrott, Burns, Carter, Cryor, Gutierrez,  
Haynes, Holmes, Howard, Jones, Kaiser, Kelley, Lee, Marriott, Murray,  
Nathan-Pulliam, Patterson, Ramirez, Ross, V. Turner, and Vaughn**

Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2                           **Business Regulation - Reporting of Contracts with Small Businesses and**  
3                           **Certified Minority Business Enterprises**

4 FOR the purpose of prohibiting a certain employer from representing a business  
5 affiliation with a small business or a certified minority business enterprise in a  
6 certain publication unless the employer files a certain report with the  
7 Department of Labor, Licensing, and Regulation; requiring the Department to  
8 make a comprehensive list of certain reports available to the public at no cost;  
9 establishing certain penalties; defining certain terms; and generally relating to  
10 contracts with minority business enterprises and small businesses.

11 BY adding to

12 Article - Business Regulation  
13 Section 19-401 through 19-404, inclusive, to be under the new subtitle "Subtitle  
14 4. Reporting of Procurement Contracts with Small Businesses and  
15 Certified Minority Business Enterprises"  
16 Annotated Code of Maryland  
17 (2004 Replacement Volume)

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

20                           **Article - Business Regulation**

21                           **SUBTITLE 4. REPORTING OF PROCUREMENT CONTRACTS WITH SMALL BUSINESSES**  
22                           **AND CERTIFIED MINORITY BUSINESS ENTERPRISES.**

23 19-401.

24 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
25 INDICATED.

1 (B) "CERTIFIED MINORITY BUSINESS ENTERPRISE" HAS THE MEANING  
2 STATED IN § 14-301(D) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (C) (1) "EMPLOYER" MEANS A PERSON ENGAGED IN A BUSINESS, INDUSTRY,  
4 PROFESSION, TRADE, ASSOCIATION, ORGANIZATION, OR OTHER ENTERPRISE IN THE  
5 STATE THAT:

6 (I) EMPLOYS 500 OR MORE EMPLOYEES; OR

7 (II) FACILITATES INTERACTION BETWEEN A MINORITY BUSINESS  
8 ENTERPRISE OR A SMALL BUSINESS AND AN EMPLOYER DESCRIBED IN ITEM (I) OF  
9 THIS PARAGRAPH.

10 (2) "EMPLOYER" DOES NOT INCLUDE A UNIT OF STATE OR LOCAL  
11 GOVERNMENT.

12 (D) "SMALL BUSINESS" MEANS A BUSINESS, OTHER THAN A BROKER, THAT  
13 MEETS THE FOLLOWING CRITERIA:

14 (1) THE BUSINESS IS INDEPENDENTLY OWNED AND OPERATED;

15 (2) THE BUSINESS IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

16 (3) THE BUSINESS IS NOT DOMINANT IN ITS FIELD OF OPERATION;

17 (4) THE WHOLESALE OPERATIONS OF THE BUSINESS DID NOT EMPLOY  
18 MORE THAN 50 PERSONS, AND THE GROSS SALES OF THE BUSINESS DID NOT EXCEED  
19 AN AVERAGE OF \$2,000,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;

20 (5) THE RETAIL OPERATIONS OF THE BUSINESS DID NOT EMPLOY MORE  
21 THAN 25 PERSONS, AND THE GROSS SALES OF THE BUSINESS DID NOT EXCEED AN  
22 AVERAGE OF \$2,000,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;

23 (6) THE MANUFACTURING OPERATIONS OF THE BUSINESS DID NOT  
24 EMPLOY MORE THAN 100 PERSONS, AND THE GROSS SALES OF THE BUSINESS DID  
25 NOT EXCEED AN AVERAGE OF \$2,000,000 IN ITS MOST RECENTLY COMPLETED 3  
26 FISCAL YEARS;

27 (7) THE SERVICE OPERATIONS OF THE BUSINESS DID NOT EMPLOY  
28 MORE THAN 100 PERSONS, AND THE GROSS SALES OF THE BUSINESS DID NOT  
29 EXCEED AN AVERAGE OF \$2,000,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL  
30 YEARS; AND

31 (8) THE CONSTRUCTION OPERATIONS OF THE BUSINESS DID NOT  
32 EMPLOY MORE THAN 50 PERSONS, AND THE GROSS SALES OF THE BUSINESS DID NOT  
33 EXCEED AN AVERAGE OF \$7,000,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL  
34 YEARS.

1 19-402.

2 (A) THIS SECTION DOES NOT APPLY TO AN EMPLOYER THAT IS NOT AWARE OF  
3 THE STATUS OF AN ENTITY AS EITHER A SMALL BUSINESS OR A CERTIFIED  
4 MINORITY BUSINESS ENTERPRISE.

5 (B) AN EMPLOYER MAY NOT REPRESENT A BUSINESS AFFILIATION WITH A  
6 SMALL BUSINESS OR A CERTIFIED MINORITY BUSINESS ENTERPRISE IN A WRITTEN  
7 MARKETING OR ADVERTISING PUBLICATION TARGETING OTHER BUSINESS ENTITIES  
8 UNLESS THE EMPLOYER FILES WITH THE DEPARTMENT A CURRENT AND ACCURATE  
9 REPORT DESCRIBED UNDER § 19-403 OF THIS SUBTITLE.

10 19-403.

11 (A) A REPORT FILED UNDER § 19-402 OF THIS SUBTITLE SHALL DISCLOSE:

12 (1) (I) THE TOTAL NUMBER AND VALUE OF CONTRACTS BETWEEN  
13 THE EMPLOYER AND SMALL BUSINESSES IF A SMALL BUSINESS IS FEATURED IN THE  
14 PUBLICATION; OR

15 (II) THE TOTAL NUMBER AND VALUE OF CONTRACTS BETWEEN  
16 THE EMPLOYER AND CERTIFIED MINORITY BUSINESS ENTERPRISES IF A CERTIFIED  
17 MINORITY BUSINESS ENTERPRISE IS FEATURED IN THE PUBLICATION; AND

18 (2) THE PERCENTAGE THAT THE PROCUREMENT CONTRACTS UNDER  
19 PARAGRAPH (1) OF THIS SUBSECTION REPRESENT OF THE TOTAL NUMBER AND  
20 VALUE OF PROCUREMENT CONTRACTS.

21 (B) THE DEPARTMENT SHALL MAKE A COMPREHENSIVE LIST OF THE  
22 REPORTS FILED UNDER THIS SUBTITLE AVAILABLE TO THE PUBLIC AT NO COST.

23 19-404.

24 A PERSON THAT KNOWINGLY AND WILLFULLY VIOLATES THIS SUBTITLE IS  
25 GUILTY OF A FELONY AND SUBJECT TO A FINE NOT EXCEEDING \$15,000.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2005.