

HOUSE BILL 1574

P2, C7

6lr3409
CF SB 1070

By: **Delegate Holmes**

Introduced and read first time: February 22, 2016

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Certified Business Enterprises – Gaming and Lottery Control Commission**
3 **Contracts – Preferences**

4 FOR the purpose of establishing a certain preference program under the State procurement
5 law for bids or proposals for goods or services for the Maryland Gaming and Lottery
6 Control Commission that are submitted by prime contractors and include the use of
7 certain certified business entities; providing for the assignment of certain additional
8 points or percentage price reductions for bids or proposals submitted to the
9 Commission that include the use of certain certified business entities; establishing
10 certain eligibility requirements; limiting the additional points or percentage price
11 reduction that may be assigned to a prime contractor for the use of certain certified
12 business entities under certain procurements; and generally relating to the
13 procurement of goods and services by the Maryland Lottery and Gaming Control
14 Commission and the use of certified minority- and women-owned small,
15 disadvantaged businesses.

16 BY adding to

17 Article – State Finance and Procurement

18 Section 14–701 through 14–703 to be under the new subtitle “Subtitle 7. Maryland
19 Lottery and Gaming Control Commission – Preferences”

20 Annotated Code of Maryland

21 (2015 Replacement Volume)

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

24 **Article – State Finance and Procurement**

25 **SUBTITLE 7. MARYLAND LOTTERY AND GAMING CONTROL**
26 **COMMISSION – PREFERENCES.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **14-701.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (B) "CERTIFIED BUSINESS ENTERPRISE" MEANS A MINORITY- OR
5 WOMEN-OWNED SMALL, DISADVANTAGED, OR AIRPORT CONCESSIONS
6 DISADVANTAGED BUSINESS ENTERPRISE AS CERTIFIED BY:

7 (1) THE MARYLAND DEPARTMENT OF TRANSPORTATION;

8 (2) THE WASHINGTON METROPOLITAN AIRPORTS AUTHORITY; OR

9 (3) A CERTIFICATION AGENCY DESIGNATED BY THE GOVERNMENT OF
10 THE UNITED STATES OR THE DISTRICT OF COLUMBIA TO CERTIFY MINORITY- OR
11 WOMEN-OWNED SMALL OR DISADVANTAGED BUSINESS ENTERPRISES.

12 (C) "COMMISSION" MEANS THE MARYLAND LOTTERY AND GAMING
13 CONTROL COMMISSION.

14 (D) "ENTERPRISE ZONE" HAS THE MEANING STATED UNDER § 5-701 OF THE
15 ECONOMIC DEVELOPMENT ARTICLE.

16 (E) "JOINT VENTURE ENTERPRISE" MEANS A BUSINESS ENTITY THAT:

17 (1) INCLUDES A MEMBER WITH AT LEAST A 45% INTEREST IN THE
18 BUSINESS ENTITY; AND

19 (2) IS CERTIFIED AS A MINORITY BUSINESS ENTERPRISE,
20 DISADVANTAGED BUSINESS ENTERPRISE, AIRPORT CONCESSIONS DISADVANTAGED
21 BUSINESS ENTERPRISE, OR A SMALL BUSINESS ENTERPRISE BY THE MARYLAND
22 DEPARTMENT OF TRANSPORTATION, A STATE OR UNITED STATES TERRITORY, OR
23 THE DISTRICT OF COLUMBIA.

24 **14-702.**

25 (A) WHEN EVALUATING A BID OR PROPOSAL FOR GOODS OR SERVICES FOR
26 THE BENEFIT OF THE COMMISSION, THE PROCUREMENT OFFICER SHALL AWARD
27 PREFERENCES AS FOLLOWS TO A CERTIFIED BUSINESS ENTERPRISE RESPONDING
28 AS A PRIME CONTRACTOR:

29 (1) FOR A PROPOSAL:

1 (I) 2 POINTS FOR A CERTIFIED SMALL BUSINESS ENTERPRISE;

2 (II) 5 POINTS FOR A CERTIFIED MINORITY BUSINESS
3 ENTERPRISE;

4 (III) 5 POINTS FOR A CERTIFIED DISADVANTAGED BUSINESS
5 ENTERPRISE;

6 (IV) 2 POINTS FOR A CERTIFIED AIRPORT CONCESSION
7 DISADVANTAGED BUSINESS ENTERPRISE; AND

8 (V) 2 POINTS FOR A CERTIFIED SMALL BUSINESS ENTERPRISE,
9 MINORITY BUSINESS ENTERPRISE, OR DISADVANTAGED BUSINESS ENTERPRISE
10 THAT HAS AS ITS PRINCIPAL PLACE OF BUSINESS OR OPERATIONS AN ENTERPRISE
11 ZONE; OR

12 (2) FOR A BID:

13 (I) 3% FOR A CERTIFIED SMALL BUSINESS ENTERPRISE;

14 (II) 5% FOR A CERTIFIED MINORITY BUSINESS ENTERPRISE;

15 (III) 5% FOR A CERTIFIED DISADVANTAGED BUSINESS
16 ENTERPRISE;

17 (IV) 2% FOR A CERTIFIED AIRPORT CONCESSION
18 DISADVANTAGED BUSINESS ENTERPRISE; AND

19 (V) 2% FOR A CERTIFIED SMALL BUSINESS ENTERPRISE,
20 MINORITY BUSINESS ENTERPRISE, OR DISADVANTAGED BUSINESS ENTERPRISE
21 THAT HAS AS ITS PRINCIPAL PLACE OF BUSINESS OR OPERATIONS AN ENTERPRISE
22 ZONE.

23 (B) A CERTIFIED BUSINESS ENTITY MAY NOT BE ASSIGNED A PREFERENCE
24 OF MORE THAN 12 POINTS OR A PRICE REDUCTION OF MORE THAN 12% UNDER THIS
25 SECTION.

26 (C) A CERTIFIED BUSINESS ENTERPRISE IS NOT ELIGIBLE FOR THE
27 PREFERENCE PROVIDED UNDER THIS SECTION UNLESS IT HAS AT LEAST 4 YEARS OF
28 PAST PERFORMANCE PROVIDING LOTTERY SERVICES TO A LOTTERY AGENCY OF THE
29 UNITED STATES OR OF ANOTHER STATE.

1 **14-703.**

2 (A) WHEN EVALUATING A CONTRACT FOR GOODS OR SERVICES FOR THE
3 BENEFIT OF THE COMMISSION, THE PROCUREMENT OFFICER SHALL AWARD A
4 PREFERENCE TO A JOINT VENTURE ENTERPRISE AS PROVIDED IN THIS SECTION.

5 (B) IF ALL MEMBERS OF THE JOINT VENTURE ENTERPRISE ARE CERTIFIED
6 BUSINESS ENTERPRISES, THE JOINT VENTURE ENTERPRISE SHALL BE ASSIGNED:

7 (1) THE POINTS ASSIGNED TO THE MAJORITY CERTIFIED BUSINESS
8 ENTERPRISE, OR IF THERE IS NO MAJORITY CERTIFIED BUSINESS ENTERPRISE,
9 THEN THE MANAGING CERTIFIED BUSINESS ENTERPRISE;

10 (2) PLUS 4 POINTS FOR ANY CERTIFIED BUSINESS ENTERPRISE
11 WHOSE PERCENTAGE OF OWNERSHIP IN THE JOINT VENTURE ENTERPRISE IS
12 GREATER THAN 35% BUT DOES NOT EXCEED 50%; AND

13 (3) PLUS 2 POINTS FOR ANY CERTIFIED BUSINESS ENTERPRISE
14 WHOSE PERCENTAGE OF OWNERSHIP IN THE JOINT VENTURE ENTERPRISE IS
15 GREATER THAN 20% BUT DOES NOT EXCEED 35%.

16 (C) (1) A JOINT VENTURE ENTERPRISE THAT INCLUDES NONCERTIFIED
17 BUSINESS ENTERPRISES SHALL BE ASSIGNED POINTS BASED ON THE PERCENTAGE
18 OF OWNERSHIP OF THE NONCERTIFIED BUSINESS ENTERPRISES INCLUDED IN THE
19 JOINT VENTURE ENTERPRISE AS PROVIDED IN PARAGRAPH (2) OF THIS
20 SUBSECTION.

21 (2) THE JOINT VENTURE ENTERPRISE SHALL RECEIVE THE POINTS
22 AND PREFERENCES ALLOTTED TO THE MAJORITY CERTIFIED BUSINESS
23 ENTERPRISE AS FOLLOWS:

24 (I) THE POINTS AND PREFERENCES ASSIGNED TO THE
25 MAJORITY CERTIFIED BUSINESS ENTERPRISE UNDER § 14-702 OF THIS SUBTITLE,
26 IF THE PERCENTAGE OF OWNERSHIP OF NONCERTIFIED BUSINESS ENTERPRISES IS:

27 1. MORE THAN 50% OF THE JOINT VENTURE
28 ENTERPRISE; AND

29 2. THE CERTIFIED MINORITY BUSINESS ENTERPRISE
30 HAS MORE THAN 50% CONTROL OF AND COLLECTIVELY RECEIVES MORE THAN 50%
31 OF THE PROFITS OF THE JOINT VENTURE ENTERPRISE; AND

1 **(II) 4 POINTS, IF THE PERCENTAGE OF OWNERSHIP OF**
2 **NONCERTIFIED BUSINESS ENTERPRISES IS EQUAL TO OR GREATER THAN 45% BUT**
3 **NOT MORE THAN 50%.**

4 **(D) A JOINT VENTURE ENTERPRISE MAY NOT BE ASSIGNED MORE THAN 12**
5 **POINTS UNDER THIS SECTION.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2016.