

HOUSE BILL 587

P2, P3

(7lr2050)

ENROLLED BILL

— *Health and Government Operations/Education, Health, and Environmental Affairs* —

Introduced by **Delegates Reznik, Barkley, Frick, Healey, Hixson, C. Howard, Jackson, Kipke, Lafferty, Patterson, Queen, and Valentino-Smith**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **State Finance and Procurement – Veteran-Owned Small Business Enterprises –**
3 **Definitions *and Penalties***

4 FOR the purpose of ~~defining “small business” and “veteran” for~~ defining “veteran” and
5 altering the definition of “veteran-owned small business enterprise” for the purposes
6 of certain provisions of law relating to ~~procurement from veteran-owned small~~
7 ~~business enterprises; altering the definition of “veteran-owned small business~~
8 ~~enterprise”~~ the structure of a unit’s procurement procedures; *authorizing certain*
9 *penalties to be applied to a person that willfully misrepresents a business as a*
10 *veteran-owned small business enterprise; providing for a delayed effective date;* and
11 generally relating to veteran-owned small business enterprises.

12 BY repealing and reenacting, with amendments,

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.

Italics indicate opposite chamber/conference committee amendments.



1 Article – State Finance and Procurement
 2 Section 14–601
 3 Annotated Code of Maryland
 4 (2015 Replacement Volume and 2016 Supplement)

5 *BY adding to*
 6 *Article – State Finance and Procurement*
 7 *Section 14–606*
 8 *Annotated Code of Maryland*
 9 *(2015 Replacement Volume and 2016 Supplement)*

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

12 **Article – State Finance and Procurement**

13 14–601.

14 (A) In this subtitle[, “veteran–owned”] **THE FOLLOWING WORDS HAVE THE**
 15 **MEANINGS INDICATED.**

16 ~~(B) “SMALL BUSINESS” HAS THE MEANING STATED IN § 14–501 OF THIS~~
 17 ~~TITLE.~~

18 ~~(C)~~ (B) “VETERAN” MEANS AN INDIVIDUAL WHO SERVED ON ACTIVE DUTY
 19 IN THE ARMED FORCES OF THE UNITED STATES, OTHER THAN FOR TRAINING, AND
 20 WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.

21 ~~(D)~~ (C) “VETERAN–OWNED small business enterprise” means a ~~SMALL~~
 22 business that:

23 (1) MEETS THE SIZE STANDARDS ADOPTED BY THE UNITED STATES
 24 SMALL BUSINESS ADMINISTRATION IN 13 C.F.R. 121.201 AND ANY SUBSEQUENT
 25 REVISION OF THAT REGULATION; AND

26 (2) is [verified by the Center for Veterans Enterprise of the United States
 27 Department of Veterans Affairs as a veteran–owned small business] **AT LEAST 51%**
 28 **OWNED BY ONE OR MORE INDIVIDUALS WHO:**

29 (I) ARE VETERANS; AND

30 (II) CONTROL THE MANAGEMENT AND DAILY OPERATIONS OF
 31 THE BUSINESS.

32 14–606.

1 IN ADDITION TO THE PENALTIES UNDER § 14-605(B) OF THIS SUBTITLE, A
2 PERSON THAT WILLFULLY MISREPRESENTS A BUSINESS AS A VETERAN-OWNED
3 SMALL BUSINESS ENTERPRISE FOR PURPOSES OF OBTAINING OR RETAINING A
4 CONTRACT OR SUBCONTRACT MAY BE SUBJECT TO:

5 (1) SUSPENSION OR DEBARMENT UNDER TITLE 16 OF THIS ARTICLE;
6 OR

7 (2) CIVIL PENALTIES UNDER THE MARYLAND FALSE CLAIMS ACT
8 UNDER TITLE 8 OF THE GENERAL PROVISIONS ARTICLE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, ~~2017~~ 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.