

# HOUSE BILL 858

P2

8lr3172  
CF SB 251

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By: **Delegates West and Hill**

Introduced and read first time: February 2, 2018

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Minority Business Enterprises – Required Regulations – Liquidated Damages**  
3 **Prohibition**

4 FOR the purpose of requiring regulations adopted by the Board of Public Works to include  
5 a certain provision prohibiting a unit from assessing liquidated damages for certain  
6 contracts for which a certain minority business enterprise was named on a certain  
7 schedule or named on a certain schedule and qualified based on a certain code;  
8 providing that existing obligations or contract rights may not be impaired by this  
9 Act; and generally relating to minority business enterprises and liquidated damages.

10 BY repealing and reenacting, without amendments,  
11 Article – State Finance and Procurement  
12 Section 14–303(a)(1)(i)  
13 Annotated Code of Maryland  
14 (2015 Replacement Volume and 2017 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article – State Finance and Procurement  
17 Section 14–303(b)(6)  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2017 Supplement)

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

22 **Article – State Finance and Procurement**

23 14–303.

24 (a) (1) (i) In accordance with Title 10, Subtitle 1 of the State Government  
25 Article, the Board shall adopt regulations consistent with the purposes of this Division II

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to carry out the requirements of this subtitle.

2 (b) These regulations shall include:

3 (6) (I) a requirement that all contracts containing minority business  
4 enterprise participation goals shall contain a liquidated damages provision that applies in  
5 the event that the contractor fails to comply in good faith with the provisions of this subtitle  
6 or the pertinent terms of the applicable contract; AND

7 (II) A PROVISION THAT PROHIBITS A UNIT FROM ASSESSING  
8 LIQUIDATED DAMAGES FOR AN INDEFINITE DELIVERY CONTRACT OR AN INDEFINITE  
9 PERFORMANCE CONTRACT IF A UNIT FAILS TO REQUEST THE PERFORMANCE OR  
10 DELIVERY OF A TASK FOR WHICH:

11 1. A MINORITY BUSINESS ENTERPRISE  
12 SUBCONTRACTOR WAS NAMED ON THE PARTICIPATION SCHEDULE; OR

13 2. A MINORITY BUSINESS ENTERPRISE  
14 SUBCONTRACTOR WAS NAMED ON THE PARTICIPATION SCHEDULE AND QUALIFIED  
15 BASED ON THE SUBCONTRACTOR'S EXISTING NORTH AMERICAN INDUSTRY  
16 CLASSIFICATION SYSTEM CODE;

17 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation  
18 or contract right may not be impaired in any way by this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2018.