

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 140 (Delegate Frank, et al.)
Commerce and Government Matters

Local Government - Procurement - Resident Preferences - Prohibited

This bill provides that a county or municipal corporation may grant a preference to an in-state bidder over an out-of-state bidder during a competitive sealed bidding process. However, no preference may be granted to any in-state bidder over any other in-state bidder. The bill repeals a provision of Frederick County Code that allows the county to discriminate in certain instances against an in-state but non-county bidder in favor of a Frederick County bidder.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate effect on expenditures. Revenues would not be affected.

Fiscal Analysis

Local Effect: This bill prohibits any county-based procurement preferences; it could also prohibit local preferences for minority or small businesses. Preferences can take the form of a percentage preference, an employee residency requirement, subcontracting requirements, or an overall preference for specified bidders. Awarding such a preference will increase the cost of goods and services in most instances.

Since the bill allows in-state preferences but prohibits most other preferences, the effect on expenditures is indeterminate.

Information Source(s): Department of General Services; Frederick, Howard, Caroline, and

Prince George's counties; Annapolis; Thurmont; Baltimore City; Department of Fiscal Services

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