HB 990

Department of Legislative Services

Maryland General Assembly

FISCAL NOTE

House Bill 990 (Delegate Snodgrass, *et al.*)
Commerce and Government Matters

State Procurement Law - Maryland Business Enterprise Program for the Blind

This bill specifies that the Maryland Business Enterprise Program for the Blind has priority to operate a facility on property controlled, owned, or leased by the State, rather than just on property controlled, owned, or leased by the Department of General Services (DGS) as specified under current law. This priority does not apply if it would violate a lease agreement, or if the State entity is: (1) an institution of higher education; (2) a correctional facility; (3) a juvenile detention facility; (4) a hospital; or (5) a park or marina. A State-owned or operated transportation facility is not subject to this priority if: (1) its vending facilities are operated as part of a revenue producing contract related to the movement of passengers or services; or (2) it provides goods or services to passengers, patrons, or tenants at a transportation facility.

This priority is waived if an affected facility has vending facilities that are not operated by blind persons until the earlier of: (1) the expiration of the contract for the vending facilities; or (2) June 1, 1999 for a State facility or June 1, 1994 for any facility operated by DGS.

Fiscal Summary

State Effect: Indeterminate effect on special fund revenues and expenditures for the Maryland Business Enterprise Program for the Blind. Indeterminate effect on other State revenues and expenditures.

Local Effect: Indeterminate effect on revenues. Expenditures would not be affected.

Small Business Effect: Potential meaningful.

Fiscal Analysis

State Revenues: This bill could increase special fund revenues for the Maryland Business Enterprise Program for the Blind in the Maryland State Department of Education. The program would be given priority for vending facilities in all State agencies (with a number of exceptions) and not just DGS. Currently, the program arranges for the automated vending machines to be provided by either Blind Industries and Services of Maryland (BISM) or a commercial vendor. The program receives a commission from the vending contractor. BISM receives a preference for these contracts, though it does not always desire the contract.

Under this bill, commissions collected by the program could increase due to the increase in agencies that would be served; however, the exclusions regarding leased property could result in the loss of revenue for certain vending sites.

To the extent that certain State agencies generate revenues through vending machine contracts that would be affected by this bill, these revenues could be affected.

State Expenditures: Expenditures could increase for the Maryland Business Enterprise Program for the Blind due to increased operating costs incurred in the establishment and maintenance of additional blind manager operated vending facilities. These expenditures would be equal to the revenues generated through the vending machine commissions. At the same time, the exclusions regarding leased property could result in reduced expenditures.

BISM advises that the bill would have no substantive impact on BISM.

Local Revenues: If local government facilities are located on properties owned, controlled, or leased by the State, then they would be subject to the provisions in this bill. To the extent that affected agencies generate revenues through vending machine contracts, these revenues could be affected.

Small Business Effect: Blind vendors could benefit from increased business opportunities. Other small vendors could be negatively affected by the priority. To the extent that the exclusions specified in the bill have a negative effect on the program, vendors would be affected in the opposite way.

Information Source(s): Maryland State Department of Education, Blind Industries and Services of Maryland, Department of General Services, Department of Legislative Services

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