

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 607 (Montgomery County and Prince George's County Delegations)  
Commerce and Government Matters

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**Washington Suburban Sanitary Commission - Nondiscrimination Policy**  
**MC/PG 7-99**

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This bill prohibits the Washington Suburban Sanitary Commission (WSSC) from discriminating against any person on the basis of sex, race, creed, color, age, mental or physical handicap, sexual orientation, or national origin. In addition, the bill prohibits WSSC from awarding a contract unless it contains provisions obligating the contractor (1) not to discriminate; and (2) to include a nondiscrimination clause in all subcontracts. If the nondiscrimination clause is omitted from a contract or subcontract, the WSSC may declare the contract void, and the contractor is entitled to the reasonable value of work that has been performed and materials that have been provided.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential minimal increase in the cost of construction contracts. Revenues would not be affected.

**Small Business Effect:** Potential minimal.

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**Fiscal Analysis**

**Local Expenditures:** WSSC advises that currently many subcontracts are verbal because of their small size. Because the bill does not explicitly require subcontracts to be in writing, WSSC concludes that the bill would not affect local expenditures. However, the Department of Legislative Services notes that the bill requires subcontracts to contain certain "clauses" and "provisions" which implies a written contract requirement. Assuming that the bill

requires subcontracts to be written, WSSC advises that contractors' paperwork and legal costs for what are now verbal contracts would increase by an estimated \$5,000 per contract. At least part of this increase would be passed onto WSSC in higher contract costs.

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**Information Source(s):** Washington Suburban Sanitary Commission

**Fiscal Note History:** First Reader - February 23, 1999

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