

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 691 (Prince George's County Delegation and Montgomery County Delegation)

Commerce and Government Matters

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**Washington Suburban Sanitary Commission - Nondiscrimination Policy  
PG/MC 11-00**

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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 disability, sexual orientation, or national origin. In addition, the bill prohibits the WSSC from awarding a contract unless it contains provisions obligating the contractor not to discriminate and to include a nondiscrimination clause in all subcontracts.

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**Fiscal Summary**

**State Effect:** None. The bill's requirements would not directly affect governmental finances or operations.

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

**Small Business Effect:** Potential minimal. Small businesses that contract with the WSSC would be subject to nondiscrimination clauses. Failure to comply to nondiscrimination clauses or requirements may deem contracts void, and contractors or subcontractors would be liable for the reasonable value of work performed or materials provided.

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**Analysis**

**Current Law:** There are no nondiscrimination requirements for the WSSC.

**Local Fiscal Effect:** The WSSC advises that many subcontracts are verbal because of the small size of the contracted projects and businesses that perform them. Because the bill does not explicitly require subcontracts to be in writing, the WSSC concludes that the bill would not affect local expenditures. However, 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, the 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 the WSSC in higher contract costs.

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### **Additional Information**

**Prior Introductions:** Identical bills (HB 607 in 1999, HB 835 in 1998) were introduced in the past two sessions. HB 607 of 1999 was not reported by the Commerce and Government Matters Committee. The House passed HB 835 with amendments in 1998; the Senate did not vote on the third reading.

**Cross File:** None.

**Information Source(s):** Washington Suburban Sanitary Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2000

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