

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1161 (Delegate Rosenberg, *et al.*)

Judiciary

Discrimination - Grants and Procurement Contracts

This bill prohibits a State agency from approving State financial assistance to any recipient of a State grant, loan, or loan guarantee that engages in discriminatory practices based on physical or mental disability, sex, race, age, color, creed, national origin, sexual orientation, or political or religious opinion or affiliation. The bill requires each State agency to monitor its financial assistance programs to ensure that recipients do not engage in discriminatory practices. Recipients of financial assistance are required to include a nondiscrimination clause in their organizational documents, and recipients that fail to include a nondiscrimination clause must repay the award to the approving agency, with interest, within 90 days of delivery. The bill also includes sexual orientation among the prohibited forms of discrimination against an employee or applicant for employment by a contractor in State procurement contracts.

Fiscal Summary

State Effect: The bill's regulatory requirements could be handled with existing budgeted resources. Most State agencies distribute some form of financial assistance. Assuming that most recipients would agree to abstain from engaging in discriminatory practices, the overall effect on State financial assistance would be minimal. Adding a provision barring discrimination based on sexual orientation is not expected to materially affect the cost of State procurements.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small businesses and nonprofit entities that receive State financial assistance or contract with the State.

Analysis

Current Law: All contracts for State procurement must have a nondiscrimination clause that prohibits discrimination in any manner by the contractor against an employee or applicant for employment because of sex, race, age, color, creed, or national origin. The clause must require each contractor and subcontractor subject to the clause to post a notice of the clause's provisions. If the nondiscrimination clause is omitted from a contract or subcontract for State procurement, the State may declare the contract void.

It is an unlawful employment practice for an employer to discriminate against an individual who is an employee or an applicant because of the individual's race, color, religion, sex, age, national origin, marital status, or physical or mental handicap unrelated in nature and extent so as to reasonably preclude the performance of employment, unless the characteristic is a bona fide occupational qualification reasonably necessary to the normal operation of a particular business or enterprise. The anti-discrimination in employment provisions do not apply to an employer with respect to a religious corporation, association, educational institution, or society relating to the employment of individuals of a particular religion to perform work connected with the carrying on of its activities.

With limited exceptions, it is unlawful to refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, handicap, marital status, familial status, or national origin.

The Human Relations Commission, on allegations of discrimination, must endeavor to eliminate the discrimination by conference, conciliation, and persuasion. If an agreement to eliminate the discrimination cannot be reached, the commission may hold a hearing and may issue a cease and desist order. For unlawful employment practices, the remedy may include reinstatement or hiring, with or without back pay. If a respondent refuses to comply with the commission's order, the commission may institute an action in the appropriate equity court to enforce compliance with the anti-discrimination law.

Additional Information

Prior Introductions: None.

Cross File: SB 827 (Senator Van Hollen, *et al.*) - Rules.

Information Source(s): Department of Budget and Management, Department of Business and Economic Development, Department of Health and Mental Hygiene, Department of Housing and Community Development, Department of Public Safety and Correctional Services, University System of Maryland, Department of Legislative Services

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