

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 855 (Montgomery County Delegation and Prince George's County Delegation)

Commerce and Government Matters

Economic and Environmental Affairs

**Washington Suburban Sanitary Commission - Nondiscrimination Policy
MC/PG 125-01**

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 design/build or construction contract unless it contains provisions obligating the contractor not to discriminate and to include a nondiscrimination clause in all subcontracts.

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 for the WSSC. 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 with 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.

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 could increase by up to \$5,000 per contract. At least part of this increase would be passed onto the WSSC in higher contract costs.

Additional Information

Prior Introductions: Identical bills (HB 691 in 2000, HB 607 in 1999, and HB 835 in 1998) were introduced in the past three sessions. In 2000, HB 691 was not reported out of the Senate Rules Committee after passing third reading in the House. 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): Department of Legislative Services

Fiscal Note History: First Reader – March 5, 2001
ef/jr

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