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By: **Delegates Rosenberg and Nathan-Pulliam**  
Introduced and read first time: February 25, 2004  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Minority Business Enterprise Program - Not for Profit Entities**

3 FOR the purpose of including certain not for profit entities in the minority business  
4 enterprise program under certain circumstances; altering a certain definition;  
5 and generally relating to the minority business enterprise program.

6 BY repealing and reenacting, without amendments,  
7 Article - State Finance and Procurement  
8 Section 14-301(a), (e), and (j)  
9 Annotated Code of Maryland  
10 (2001 Replacement Volume and 2003 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - State Finance and Procurement  
13 Section 14-301(f)  
14 Annotated Code of Maryland  
15 (2001 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Finance and Procurement**

19 14-301.

20 (a) In this subtitle the following words have the meanings indicated.

21 (e) "Economically disadvantaged individual" means a socially disadvantaged  
22 individual whose ability to compete in the free enterprise system has been impaired  
23 due to diminished capital and credit opportunities as compared to others in the same  
24 or similar line of business who are not socially disadvantaged.

25 (f) (1) "Minority business enterprise" means any legal entity, except a joint  
26 venture, that is:

- 1 (i) organized to engage in commercial transactions;
- 2 (ii) at least 51% owned and controlled by 1 or more individuals who  
3 are socially and economically disadvantaged; and
- 4 (iii) managed by, and the daily business operations of which are  
5 controlled by, one or more of the socially and economically disadvantaged individuals  
6 who own it.

7 (2) (I) "Minority business enterprise" includes:

8 1. a not for profit entity organized to promote the interests of  
9 physically or mentally disabled individuals; OR

10 2. ANY NOT FOR PROFIT ENTITY THAT IS CONTROLLED BY  
11 MEMBERS OF A GROUP THAT IS SOCIALLY OR ECONOMICALLY DISADVANTAGED.

12 (II) IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, "CONTROLLED"  
13 MEANS THAT AT LEAST 51% OF THE MEMBERS OF THE BOARD OF DIRECTORS OR AT  
14 LEAST 51% OF THE FULL-TIME EMPLOYEES ARE MEMBERS OF A GROUP THAT IS  
15 SOCIALLY OR ECONOMICALLY DISADVANTAGED.

16 (j) "Socially disadvantaged individual" means an individual who has been  
17 subjected to racial or ethnic prejudice or cultural bias within American society  
18 because of membership in a group and without regard to individual qualities. Social  
19 disadvantage must stem from circumstances beyond the control of the individual.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
21 effect October 1, 2004.