

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

House Bill 907 (Delegates Morhaim and Weldon)  
(Task Force to Study Efficiency in Procurement)  
Health and Government Operations

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**State Board of Contract Appeals - Expedited Procedures - Legal Representation**

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This bill specifies that a contractor may be represented by legal counsel in an appeal before the Maryland State Board of Contract Appeals (MSBCA) and permits other individuals to represent contractors in expedited procedures before MSBCA.

The bill is effective October 1, 2004 and terminates September 30, 2006.

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**Fiscal Summary**

**State Effect:** The bill would not materially affect State government operations.

**Local Effect:** None.

**Small Business Effect:** Potential minimal. Small businesses could recognize cost savings if they are not required to retain the services of an attorney to bring a minor claim before MSBCA.

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**Analysis**

**Bill Summary:** The bill provides that the following persons, not admitted to practice law in the State of Maryland, may represent a contractor before MSBCA in expedited procedures:

- sole proprietors;
- corporate officers or directors;

- general partners;
- limited liability company members;
- persons with at least 10% ownership; or
- other principal of a contractor.

The bill also provides that Title 10 of the Business Occupations and Professions Article, which provides statutory authority to practice law in Maryland, does not apply to individuals that are representing contractors before MSBCA.

**Current Law:** Code of Maryland Regulations (COMAR) 21.10.05.03 specifies that an individual may appear before MSBCA in person, or may be represented by an attorney at law licensed in Maryland. Corporations, partnerships, and joint ventures must be represented by an attorney at law licensed in Maryland. The State must be represented by an attorney designated by the Office of the Attorney General who is licensed in Maryland. An attorney specially admitted may act as co-counsel for a participant in a proceeding who also is represented by an attorney admitted to practice in this State. The specially admitted attorney may, upon motion, be permitted to participate in Appeals Board proceedings without being accompanied by Maryland counsel.

COMAR 21.10.06.12 specifies the regulations regarding expedited procedures. Contractors may elect to receive an expedited procedure when the amount in dispute is \$10,000 or less. Expedited procedures require decision of the appeal, when possible, within 120 days after MSBCA receives written notice of the appellant's election to use this procedure. The MSBCA member assigned to the case is required to identify and simplify the issues; establish a simplified procedure appropriate to the particular appeal involved; determine whether the appellant wants a hearing, and if so, fix a time and place for a hearing; require the procurement officer, through the Office of the Attorney General, to furnish all correspondence between the parties pertinent to the appeal, including the letter or letters of claim in response to which the agency final action was issued; and establish an expedited schedule for resolution of the appeal.

Pleadings, discovery, and other pre-hearing activity are permitted only as consistent with the requirement to conduct the hearing on the date scheduled, or if no hearing is scheduled, to close the record on a date that will allow a decision within the 120-day limit. MSBCA may impose shortened time periods to enable the board to decide the appeal within the 120-day limit and may reserve 30 days for the preparation of the decision. Decisions made in expedited procedures have no value as precedent.

**Background:** The provisions of this bill implement a recommendation of the Task Force to Study Efficiency in Procurement (created by Chapter 386 of 2003). The task force was charged with evaluating the dispute resolution process in State procurements. The task

force, and its dispute resolution subcommittee, reviewed MSBCA, expedited procedures, and issues related to representation and determined that the purposes of the expedited procedure were being undermined by requiring the participation of attorneys. The task force felt that a more collegial process could occur in these small, nonprecedential cases, if representation of contractors was expanded.

The Governor's Commission on the Structure and Efficiency of State Government has recommended the abolition of MSBCA citing, among other reasons, the high cost per case of the board and the ability of the MSBCA's case load to be handled by the Judiciary.

**State Fiscal Effect:** MSBCA does not anticipate any fiscal impact from the provisions of this bill. MSBCA advises that it receives approximately one request for expedited procedures every two years and that the provisions of the bill would require only a minor alteration of regulations.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 600 (Senator Grosfeld) – Judicial Proceedings.

**Information Source(s):** Department of General Services, Board of Public Works, Maryland Department of Transportation, Department of Budget and Management, Office of the Attorney General, State Board of Contract Appeals, Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2004  
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Analysis by: Daniel P. Tompkins

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510