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By: **Delegates Feldman, Cadden, Barkley, Boteler, Conroy, Cryor, Dumais, Dwyer, Gilleland, Haddaway, Hammen, Impallaria, James, Kach, King, Krebs, Lee, Leopold, Love, Mandel, McHale, Minnick, Moe, Montgomery, Myers, Simmons, Sophocleus, Sossi, Stern, Taylor, Walkup, Weir, and Wood**

Introduced and read first time: January 24, 2005  
Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Disabled Veteran Business Enterprise Participation**

3 FOR the purpose of establishing a preference for certain disabled veterans for certain  
4 procurements; requiring the Department of Veterans Affairs to jointly establish  
5 certain procurement goals with certain procurement units; requiring certain  
6 procurement units to determine if certain responsible bidders or offerors have  
7 acted in good faith to fulfill certain procurement goals; establishing criteria for  
8 determining if certain responsible bidders and offerors acted in good faith to  
9 fulfill certain procurement goals; requiring a certain agency to establish certain  
10 regulations to certify and decertify disabled veteran business enterprises;  
11 requiring a certain agency to designate a certain advocate to oversee, promote,  
12 and coordinate disabled veteran business enterprise participation; requiring  
13 certain procurement units to adopt certain rules and regulations; requiring  
14 certain procurement units to designate a certain advocate to oversee, promote,  
15 and coordinate disabled veteran business enterprise participation; requiring  
16 certain procurement units to make certain reports on or before a certain date;  
17 requiring the Department of Veterans Affairs to make certain reports on or  
18 before a certain date; establishing certain prohibited acts and certain penalties  
19 for certain violations; defining certain terms; and generally relating to the  
20 procurement participation of disabled veteran business enterprises.

21 BY adding to

22 Article - State Finance and Procurement  
23 Section 14-601 through 14-607, inclusive, to be under the new subtitle "Subtitle  
24 6. Disabled Veteran Business Enterprise Participation"  
25 Annotated Code of Maryland  
26 (2001 Replacement Volume and 2004 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article - State Finance and Procurement

1 Section 16-203(a)  
2 Annotated Code of Maryland  
3 (2001 Replacement Volume and 2004 Supplement)

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

6 **Article - State Finance and Procurement**

7 SUBTITLE 6. DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION.

8 14-601.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (B) "AWARDING UNIT" MEANS A UNIT OF STATE GOVERNMENT OR AN  
12 OFFICIAL OF THE STATE THAT ENTERS INTO CONTRACTS ON BEHALF OF THE STATE.

13 (C) "CERTIFICATION" MEANS THE DETERMINATION THAT A LEGAL ENTITY IS  
14 A DISABLED VETERAN BUSINESS ENTERPRISE FOR THE PURPOSES OF THIS  
15 SUBTITLE.

16 (D) "CERTIFICATION AGENCY" MEANS THE DEPARTMENT OF VETERANS  
17 AFFAIRS.

18 (E) "CERTIFIED DISABLED VETERAN BUSINESS ENTERPRISE" MEANS A  
19 DISABLED VETERAN BUSINESS ENTERPRISE THAT HOLDS A CERTIFICATION.

20 (F) "DISABLED VETERAN" MEANS A VETERAN OF THE MILITARY, NAVAL, OR  
21 AIR SERVICE OF THE UNITED STATES, INCLUDING THE PHILIPPINE  
22 COMMONWEALTH ARMY, THE REGULAR SCOUTS, AND THE SPECIAL PHILIPPINE  
23 SCOUTS, WHO HAS AT LEAST A 10% SERVICE-CONNECTED DISABILITY AND WHO IS  
24 DOMICILED IN THE STATE.

25 (G) (1) "DISABLED VETERAN BUSINESS ENTERPRISE" MEANS A LEGAL  
26 ENTITY:

27 (I) THAT IS ORGANIZED TO ENGAGE IN COMMERCIAL  
28 TRANSACTIONS INCLUDING THE LEASE OR RENTAL OF EQUIPMENT;

29 (II) THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR  
30 MORE INDIVIDUALS WHO ARE DISABLED VETERANS;

31 (III) THAT IS MANAGED BY ONE OR MORE OF THE DISABLED  
32 VETERANS WHO OWN IT;

33 (IV) THAT HAS ITS HOME OFFICE OR PRIMARY PLACE OF BUSINESS  
34 IN THE STATE;

1 (V) THAT HAS SUBMITTED COPIES OF ITS FEDERAL TAX RETURNS  
2 FOR THE PAST 3 YEARS TO THE CERTIFICATION AGENCY AT THE TIME OF  
3 CERTIFICATION;

4 (VI) FOR WHICH ONE OR MORE OF THE DISABLED VETERANS WHO  
5 OWN IT CONTROL THE DAILY BUSINESS OPERATIONS; AND

6 (VII) FOR WHICH A DISABLED VETERAN ACTUALLY PERFORMS,  
7 MANAGES, OR SUPERVISES THE WORK PERFORMED UNDER A CONTRACT.

8 (2) "DISABLED VETERAN BUSINESS ENTERPRISE" INCLUDES:

9 (I) A SOLE PROPRIETORSHIP THAT IS AT LEAST 51% OWNED BY  
10 ONE OR MORE DISABLED VETERANS OR A PUBLICLY OWNED BUSINESS IN WHICH 51%  
11 OF THE STOCK IS OWNED BY ONE OR MORE DISABLED VETERANS;

12 (II) A SUBSIDIARY WHICH IS WHOLLY OWNED BY A PARENT  
13 CORPORATION IN WHICH AT LEAST 51% OF THE VOTING STOCK IS OWNED BY ONE OR  
14 MORE DISABLED VETERANS;

15 (III) A JOINT VENTURE IN WHICH AT LEAST 51% OF THE JOINT  
16 VENTURE'S MANAGEMENT, CONTROL, AND EARNINGS ARE HELD BY ONE OR MORE  
17 DISABLED VETERANS; AND

18 (IV) A LIMITED LIABILITY COMPANY IF IT IS WHOLLY OWNED BY  
19 ONE OR MORE DISABLED VETERANS.

20 14-602.

21 (A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A  
22 PROCUREMENT CONTRACT SHALL HAVE A STATEWIDE PARTICIPATION GOAL OF NOT  
23 LESS THAN 3% FOR DISABLED VETERAN BUSINESS ENTERPRISES.

24 (2) IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, A  
25 PARTICIPATION GOAL OF NOT LESS THAN 3% FOR DISABLED VETERAN BUSINESS  
26 ENTERPRISES SHALL APPLY TO THE OVERALL DOLLAR AMOUNT EXPENDED  
27 ANNUALLY BY EACH AWARDING UNIT.

28 (B) EACH YEAR THE HEAD OF EACH AWARDING UNIT, JOINTLY WITH THE  
29 DEPARTMENT OF VETERANS AFFAIRS, SHALL ESTABLISH A PARTICIPATION GOAL OF  
30 NOT LESS THAN 3% FOR DISABLED VETERANS THAT REFLECTS THE POTENTIAL OF  
31 DISABLED VETERAN BUSINESS ENTERPRISES TO PERFORM CONTRACTS AND  
32 SUBCONTRACTS AND MAKES EFFORTS TO EXPAND PARTICIPATION BY DISABLED  
33 VETERAN BUSINESS ENTERPRISES.

34 14-603.

35 (A) TO ACHIEVE THE RESULT SPECIFIED IN § 14-602 OF THIS SUBTITLE, AN  
36 AWARDING UNIT SHALL CONSIDER THE EFFORTS OF A RESPONSIBLE BIDDER OR  
37 RESPONSIBLE OFFEROR TO MEET DISABLED VETERAN BUSINESS ENTERPRISE

1 GOALS AND AWARD THE PROCUREMENT CONTRACT TO THE LOWEST RESPONSIBLE  
2 BIDDER OR RESPONSIBLE OFFEROR MEETING OR MAKING GOOD FAITH EFFORTS TO  
3 MEET THESE GOALS.

4 (B) A BIDDER OR OFFEROR SHALL BE CONSIDERED TO HAVE MADE A GOOD  
5 FAITH EFFORT TO COMPLY WITH SUBSECTION (A) OF THIS SECTION ON SUBMITTAL,  
6 WITHIN TIME LIMITS SPECIFIED BY THE AWARDING DEPARTMENT, OF  
7 DOCUMENTARY EVIDENCE THAT ALL OF THE FOLLOWING ACTIONS WERE TAKEN:

8 (1) CONTACT WAS MADE WITH THE AWARDING UNIT TO IDENTIFY  
9 DISABLED VETERAN BUSINESS ENTERPRISES;

10 (2) CONTACT WAS MADE WITH OTHER STATE AND FEDERAL AGENCIES  
11 AND DISABLED VETERAN BUSINESS ENTERPRISE ORGANIZATIONS TO IDENTIFY  
12 DISABLED VETERAN BUSINESS ENTERPRISES;

13 (3) ADVERTISING WAS PUBLISHED IN TRADE PAPERS AND PAPERS  
14 FOCUSING ON DISABLED VETERAN BUSINESS ENTERPRISES, UNLESS TIME LIMITS  
15 IMPOSED BY THE AWARDING UNIT DO NOT PERMIT THAT ADVERTISING;

16 (4) NOTICES OF INVITATIONS FOR BIDS OR REQUESTS FOR PROPOSALS  
17 WERE PROVIDED TO POTENTIAL DISABLED VETERAN BUSINESS ENTERPRISE  
18 CONTRACTORS; AND

19 (5) AVAILABLE DISABLED VETERAN BUSINESS ENTERPRISES WERE  
20 CONSIDERED.

21 14-604.

22 (A) THE CERTIFICATION AGENCY SHALL ESTABLISH REGULATIONS TO  
23 CERTIFY AND DECERTIFY DISABLED VETERAN BUSINESS ENTERPRISES.

24 (B) THE CERTIFICATION AGENCY SHALL DESIGNATE AN ADVOCATE TO:

25 (1) OVERSEE, PROMOTE, AND COORDINATE EFFORTS TO FACILITATE  
26 THE IMPLEMENTATION OF THIS SUBTITLE;

27 (2) DISSEMINATE INFORMATION ON THIS SUBTITLE;

28 (3) COORDINATE REPORTS ACCORDING TO THIS SUBTITLE;

29 (4) COORDINATE WITH THE AWARDING UNITS AND EXISTING AND  
30 POTENTIAL DISABLED VETERAN BUSINESS ENTERPRISES TO ACHIEVE THE GOALS  
31 OF THIS SUBTITLE; AND

32 (5) COORDINATE WITH THE AWARDING UNITS' DISABLED VETERAN  
33 BUSINESS ENTERPRISE ADVOCATES PROVIDED FOR IN § 14-605(C) OF THIS SUBTITLE.

34 14-605.

35 (A) EACH AWARDING UNIT SHALL ADOPT REGULATIONS TO:

- 1 (1) CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE; AND
- 2 (2) MONITOR ADHERENCE TO THE GOALS SPECIFIED IN THIS SUBTITLE.
- 3 (B) EACH AWARDING UNIT SHALL UTILIZE EXISTING RESOURCES TO  
4 IMPLEMENT THIS SUBTITLE, INCLUDING:
- 5 (1) THE DEPARTMENT OF VETERANS AFFAIRS;
- 6 (2) THE FEDERAL DEPARTMENT OF VETERANS AFFAIRS; OR
- 7 (3) ANY OTHER STATE OR FEDERAL AGENCY WITH RESOURCES USEFUL  
8 FOR THE IMPLEMENTATION OF THIS SUBTITLE.
- 9 (C) EACH AWARDING UNIT SHALL DESIGNATE AN AGENCY DISABLED  
10 VETERAN BUSINESS ENTERPRISE ADVOCATE TO:
- 11 (1) ASSIST CERTIFIED DISABLED VETERAN BUSINESS ENTERPRISES IN  
12 PARTICIPATING IN THE UNIT'S PROCUREMENT CONTRACTING PROCESS;
- 13 (2) ASSIST CONTRACT OFFICERS IN SEEKING DISABLED VETERAN  
14 BUSINESS ENTERPRISES TO PARTICIPATE IN THE UNIT'S PROCUREMENT CONTRACT  
15 AND OTHER PROCUREMENT ACTIVITIES;
- 16 (3) DISSEMINATE INFORMATION TO THE UNIT'S PROCUREMENT  
17 CONTRACT AND OTHER PROCUREMENT STAFF;
- 18 (4) SERVE AS AN ADVOCATE FOR THE DISABLED VETERAN BUSINESS  
19 ENTERPRISES THAT ARE UTILIZED AS THE UNIT'S CONTRACTORS OR  
20 SUBCONTRACTORS;
- 21 (5) REPORT TO THE OFFICE OF SMALL BUSINESS CERTIFICATION AND  
22 RESOURCES REGARDING ANY VIOLATION OF THIS SUBTITLE; AND
- 23 (6) COORDINATE WITH THE STATE DISABLED VETERAN BUSINESS  
24 ADVOCATE AT THE DEPARTMENT OF VETERANS AFFAIRS, AS PROVIDED BY § 14-604(B)  
25 OF THIS SUBTITLE, IN AN EFFORT TO MEET THE GOALS OF THIS SUBTITLE.

26 14-606.

- 27 (A) (1) WITHIN 90 DAYS AFTER THE END OF THE FISCAL YEAR, EACH  
28 AWARDING UNIT SHALL REPORT TO THE DEPARTMENT OF VETERANS AFFAIRS.
- 29 (2) A REPORT UNDER THIS SUBSECTION SHALL FOR THE PRECEDING  
30 FISCAL YEAR:
- 31 (I) STATE THE TOTAL NUMBER AND VALUE OF PROCUREMENT  
32 CONTRACTS BETWEEN THE AWARDING UNIT AND CERTIFIED DISABLED VETERAN  
33 BUSINESS ENTERPRISES;

1 (II) INDICATE THE PERCENTAGE THAT THOSE PROCUREMENT  
2 CONTRACTS REPRESENT OF THE TOTAL NUMBER AND VALUE OF PROCUREMENT  
3 CONTRACTS;

4 (III) IF AN AWARDING UNIT HAS NOT MET THE ESTABLISHED GOAL  
5 FOR DISABLED VETERAN BUSINESS ENTERPRISES, INDICATE THE REASONS THE  
6 AWARDING UNIT HAS NOT ACHIEVED THE GOAL AND IDENTIFY STEPS THE  
7 AWARDING UNIT WILL TAKE IN AN EFFORT TO ACHIEVE THE GOAL IN THE NEXT  
8 FISCAL YEAR; AND

9 (IV) CONTAIN OTHER SUCH INFORMATION AS REQUIRED BY THE  
10 DEPARTMENT OF VETERANS AFFAIRS AND APPROVED BY THE BOARD.

11 (3) A REPORT UNDER THIS SUBSECTION SHALL BE IN A FORM  
12 PRESCRIBED BY THE DEPARTMENT OF VETERANS AFFAIRS AND APPROVED BY THE  
13 BOARD.

14 (B) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT OF  
15 VETERANS AFFAIRS SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS AND, SUBJECT  
16 TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE LEGISLATIVE POLICY  
17 COMMITTEE A REPORT SUMMARIZING THE INFORMATION THE DEPARTMENT  
18 RECEIVES UNDER SUBSECTION (A) OF THIS SECTION.

19 14-607.

20 (A) A PERSON MAY NOT:

21 (1) KNOWINGLY AND WITH INTENT TO DEFRAUD, FRAUDULENTLY  
22 OBTAIN, RETAIN, ATTEMPT TO OBTAIN OR RETAIN, OR AID ANOTHER IN  
23 FRAUDULENTLY OBTAINING OR RETAINING OR ATTEMPTING TO OBTAIN OR RETAIN,  
24 CERTIFICATION AS A DISABLED VETERAN BUSINESS ENTERPRISE FOR THE PURPOSE  
25 OF THIS SUBTITLE;

26 (2) WILLFULLY AND KNOWINGLY MAKE A FALSE STATEMENT WITH THE  
27 INTENT TO DEFRAUD, WHETHER BY AFFIDAVIT, REPORT, OR OTHER  
28 REPRESENTATION, TO A STATE OFFICIAL OR EMPLOYEE FOR THE PURPOSE OF  
29 INFLUENCING THE CERTIFICATION OR DENIAL OF CERTIFICATION OF ANY ENTITY  
30 AS A DISABLED VETERAN BUSINESS ENTERPRISE;

31 (3) WILLFULLY AND KNOWINGLY OBSTRUCT, IMPEDE, OR ATTEMPT TO  
32 OBSTRUCT OR IMPEDE, A STATE OFFICIAL OR EMPLOYEE WHO IS INVESTIGATING  
33 THE QUALIFICATIONS OF A BUSINESS ENTITY THAT HAS REQUESTED  
34 CERTIFICATION AS A DISABLED VETERAN BUSINESS ENTERPRISE;

35 (4) KNOWINGLY AND WITH INTENT TO DEFRAUD, FRAUDULENTLY  
36 OBTAIN, ATTEMPT TO OBTAIN, OR AID ANOTHER PERSON IN FRAUDULENTLY  
37 OBTAINING OR ATTEMPTING TO OBTAIN, PUBLIC MONEYS, PROCUREMENT  
38 CONTRACTS, OR FUNDS EXPENDED UNDER A PROCUREMENT CONTRACT TO WHICH  
39 THE PERSON IS NOT ENTITLED UNDER THIS ARTICLE;

1 (5) KNOWINGLY AND WITH INTENT TO DEFRAUD, FRAUDULENTLY  
2 REPRESENT PARTICIPATION OF A DISABLED VETERAN BUSINESS ENTERPRISE IN  
3 ORDER TO OBTAIN OR RETAIN A BID PREFERENCE OR A PROCUREMENT CONTRACT;

4 (6) WILLFULLY AND KNOWINGLY MAKE OR SUBSCRIBE TO ANY  
5 STATEMENT, DECLARATION, OR OTHER DOCUMENT THAT IS FRAUDULENT OR FALSE  
6 AS TO ANY MATERIAL MATTER, WHETHER OR NOT THAT FALSITY OR FRAUD IS  
7 COMMITTED WITH THE KNOWLEDGE OR CONSENT OF THE PERSON AUTHORIZED OR  
8 REQUIRED TO PRESENT THE DECLARATION, STATEMENT, OR DOCUMENT;

9 (7) WILLFULLY AND KNOWINGLY AID, ASSIST IN, PROCURE, COUNSEL,  
10 OR ADVISE, THE PREPARATION OR PRESENTATION OF A DECLARATION, STATEMENT,  
11 OR OTHER DOCUMENT THAT IS FRAUDULENT OR FALSE AS TO ANY MATERIAL  
12 MATTER, REGARDLESS OF WHETHER THAT FALSITY OR FRAUD IS COMMITTED WITH  
13 THE KNOWLEDGE OR CONSENT OF THE PERSON AUTHORIZED OR REQUIRED TO  
14 PRESENT THE DECLARATION, STATEMENT, OR DOCUMENT;

15 (8) WILLFULLY AND KNOWINGLY FAIL TO FILE ANY DECLARATION OR  
16 NOTICE WITH THE AWARDING UNIT THAT IS REQUIRED BY THIS SUBTITLE; OR

17 (9) ESTABLISH, KNOWINGLY AID IN THE ESTABLISHMENT OF, OR  
18 EXERCISE CONTROL OVER, A FIRM FOUND TO HAVE VIOLATED A PROVISION OF  
19 PARAGRAPHS (1) THROUGH (8) OF THIS SUBSECTION.

20 (B) (1) A PERSON WHO VIOLATES ANY OF THE PROVISIONS OF SUBSECTION  
21 (A) OF THIS SECTION SHALL BE GUILTY OF A MISDEMEANOR AND ON CONVICTION IS  
22 SUBJECT TO A FINE NOT EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 6  
23 MONTHS OR BOTH.

24 (2) IN ADDITION TO THE PENALTIES UNDER PARAGRAPH (1) OF THIS  
25 SUBSECTION, A PERSON WHO VIOLATES ANY OF THE PROVISIONS OF SUBSECTION (A)  
26 OF THIS SECTION SHALL BE:

27 (I) FOR THE FIRST OFFENSE, LIABLE FOR A CIVIL PENALTY OF NOT  
28 LESS THAN \$10,000 AND NOT EXCEEDING \$30,000; AND

29 (II) FOR A SUBSEQUENT OFFENSE, A CIVIL PENALTY OF NOT LESS  
30 THAN \$30,000 AND NOT EXCEEDING \$50,000.

31 (3) A DEFENDANT WHO VIOLATES ANY OF THE PROVISIONS OF  
32 SUBSECTION (A) OF THIS SECTION SHALL PAY ALL COSTS AND ATTORNEY'S FEES  
33 INCURRED BY THE PLAINTIFF IN A CIVIL ACTION BROUGHT UNDER THIS SUBTITLE.

34 (C) (1) IN ACCORDANCE WITH TITLE 16 OF THIS ARTICLE, A PERSON WHO  
35 VIOLATES SUBSECTION (A) OF THIS SECTION SHALL:

36 (I) FOR A FIRST OFFENSE, BE DEBARRED FOR A PERIOD OF NOT  
37 LESS THAN 3 YEARS, AND IF CERTIFIED AS A DISABLED VETERAN BUSINESS  
38 ENTERPRISE, THE CERTIFICATION AGENCY SHALL REVOKE THE BUSINESS'  
39 CERTIFICATION FOR A PERIOD OF NOT LESS THAN 3 YEARS; AND

1 (II) FOR A SUBSEQUENT OFFENSE, BE DEBARRED FOR A PERIOD OF  
2 NOT LESS THAN 5 YEARS, AND IF CERTIFIED AS A DISABLED VETERAN BUSINESS  
3 ENTERPRISE, THE CERTIFICATION AGENCY SHALL REVOKE THE BUSINESS'  
4 CERTIFICATION FOR A PERIOD OF NOT LESS THAN 5 YEARS.

5 (2) A DEBARMENT OR REVOCATION UNDER THIS SUBSECTION SHALL  
6 APPLY TO THE PRINCIPALS OF THE BUSINESS AND ANY SUBSEQUENT BUSINESS  
7 FORMED OR FINANCED BY, OR AFFILIATED WITH, THOSE PRINCIPALS.

8 (3) THE BOARD SHALL PROHIBIT ANY BUSINESS OR PERSON WHO FAILS  
9 TO SATISFY THE PENALTIES, COSTS, AND ATTORNEY'S FEES IMPOSED UNDER  
10 SUBSECTION (B) OF THIS SECTION FROM FURTHER CONTRACTING WITH THE STATE  
11 UNTIL THE PENALTIES ARE SATISFIED.

12 (D) (1) THE AWARDING UNIT SHALL REPORT ALL ALLEGED VIOLATIONS OF  
13 THIS SECTION TO THE BOARD.

14 (2) THE BOARD SHALL SUBSEQUENTLY REPORT ALL ALLEGED  
15 VIOLATIONS TO THE ATTORNEY GENERAL WHO SHALL DETERMINE WHETHER TO  
16 BRING A CIVIL ACTION AGAINST ANY PERSON OR FIRM FOR VIOLATION OF THIS  
17 SECTION.

18 (E) AN AWARDING UNIT MAY NOT:

19 (1) ENTER INTO A PROCUREMENT CONTRACT WITH ANY PERSON  
20 DEBARRED FOR VIOLATING THIS SUBTITLE DURING THE PERIOD OF THE PERSON'S  
21 DEBARMENT; OR

22 (2) AWARD A PROCUREMENT CONTRACT TO ANY CONTRACTOR  
23 UTILIZING THE SERVICES OF ANY PERSON AS A SUBCONTRACTOR SUSPENDED FOR  
24 VIOLATING THIS SUBTITLE DURING THE PERIOD OF THE PERSON'S SUSPENSION.

25 (F) THE AWARDING UNIT SHALL CHECK THE ROSTER OF DEBARRED PERSONS  
26 AND BUSINESSES REQUIRED BY § 16-308 OF THIS ARTICLE TO VERIFY THAT THE  
27 PERSON OR CONTRACTOR TO WHOM THE PROCUREMENT CONTRACT IS BEING  
28 AWARDED, OR ANY PERSON BEING UTILIZED AS A SUBCONTRACTOR OR SUPPLIER BY  
29 THAT PERSON OR CONTRACTOR, IS NOT UNDER SUSPENSION FOR VIOLATING THIS  
30 SECTION.

31 16-203.

32 (a) A person may be debarred from entering into a contract with the State if  
33 the person, an officer, partner, controlling stockholder or principal of that person, or  
34 any other person substantially involved in that person's contracting activities has:

35 (1) been convicted under the laws of the State, another state or the  
36 United States of:

37 (i) a criminal offense incident to obtaining, attempting to obtain, or  
38 performing a public or private contract, except as provided in § 16-202; or



1 (ii) fraud, embezzlement, theft, forgery, falsification or destruction  
2 of records, or receiving stolen property;

3 (2) been convicted of a criminal violation of an antitrust statute of the  
4 State, another state, or the United States;

5 (3) been convicted of a violation of the Racketeer Influenced and Corrupt  
6 Organization Act, or the Mail Fraud Act, for acts in connection with the submission of  
7 bids or proposals for a public or private contract;

8 (4) been convicted of a violation of § 14-308 of this article;

9 (5) been convicted of conspiracy to commit any act or omission that  
10 would constitute grounds for conviction under any of the laws or statutes described in  
11 paragraphs (1), (2), (3), or (4) of this subsection; [or]

12 (6) been found civilly liable under an antitrust statute of the State,  
13 another state, or the United States for acts or omissions in connection with the  
14 submission of bids or proposals for a public or private contract; OR

15 (7) BEEN CONVICTED OF A VIOLATION OF § 14-607(A) OF THIS ARTICLE.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2005.