

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

3 **Article - State Finance and Procurement**

4 11-101.

5 (x) (1) "Unit" means an officer or other entity that is in the Executive
6 Branch of the State government and is authorized by law to enter into a procurement
7 contract.

8 (2) "Unit" does not include:

9 (i) a bistate, multistate, bicounty, or multicounty governmental
10 agency; or

11 (ii) a special tax district, sanitary district, drainage district, soil
12 conservation district, water supply district, or other political subdivision of the State.

13 14-501.

14 (c) "Small business" means:

15 (1) a certified minority business enterprise, as defined in § 14-301 of
16 this title, that meets the criteria specified under paragraph (2) of this subsection; or

17 (2) a business, other than a broker, that meets the following criteria:

18 (i) the business is independently owned and operated;

19 (ii) the business is not a subsidiary of another business;

20 (iii) the business is not dominant in its field of operation;

21 (iv) the wholesale operations of the business did not employ more
22 than 50 persons, and the gross sales of the business did not exceed an average of
23 \$2,000,000 in its most recently completed 3 fiscal years;

24 (v) the retail operations of the business did not employ more than
25 25 persons, and the gross sales of the business did not exceed an average of
26 \$2,000,000 in its most recently completed 3 fiscal years;

27 (vi) the manufacturing operations of the business did not employ
28 more than 100 persons, and the gross sales of the business did not exceed an average
29 of \$2,000,000 in its most recently completed 3 fiscal years;

30 (vii) the service operations of the business did not employ more than
31 100 persons, and the gross sales of the business did not exceed an average of
32 \$2,000,000 in its most recently completed 3 fiscal years; and

1 (viii) the construction operations of the business did not employ more
2 than 50 persons, and the gross sales of the business did not exceed an average of
3 \$7,000,000 in its most recently completed 3 fiscal years.

4 14-502.

5 (a) Except as provided in subsection (d) of this section, this subtitle applies to
6 all procurements by a designated procurement unit.

7 (b) This subsection does not apply to procurements subject to Subtitle 1 of this
8 title.

9 (c) A designated procurement unit shall structure its procurement procedures
10 to achieve a minimum of 10 percent of the unit's total dollar value of ~~EACH~~
11 ~~PROCUREMENT CONTRACT OF AT LEAST \$500,000 FOR~~ goods, supplies, services,
12 maintenance, construction, construction-related services, architectural service, and
13 engineering service contracts to be made directly to small businesses.

14 (d) The total dollar value of procurements by a designated procurement unit
15 does not include the value of contracts to which this section does not apply because of
16 a conflict with federal law.

17 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be~~
18 ~~construed to apply only prospectively and may not be applied or interpreted to have~~
19 ~~any effect on or application to any procurement contract awarded before the effective~~
20 ~~date of this Act.~~
21 14-505.

22 (a) Within 90 days after the end of each fiscal year, each designated
23 procurement unit shall submit a report on the operation and effectiveness of the
24 Small Business Reserve Program THAT COMPLIES WITH SUBSECTION (D)(2) OF THIS
25 SECTION to the Board of Public Works.

26 (b) Within 60 days after receipt of all reports required under subsection (a) of
27 this section, the Board of Public Works shall compile the information and report on
28 THE OPERATION AND EFFECTIVENESS OF the entire Small Business Reserve
29 Program to the Legislative Policy Committee, subject to § 2-1246 of the State
30 Government Article.

31 (C) (1) WITHIN 45 DAYS AFTER THE ENACTMENT OF THE BUDGET BILL BY
32 THE GENERAL ASSEMBLY, EACH DESIGNATED PROCUREMENT UNIT SHALL SUBMIT A
33 REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS THAT COMPLIES WITH
34 THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION.

35 (2) FOR THE FISCAL YEAR BEGINNING JULY 1 FOLLOWING THE
36 ENACTMENT OF THE BUDGET BILL, THE REPORT SHALL:

37 (I) STATE THE TOTAL DOLLAR VALUE OF PAYMENTS THE UNIT
38 PLANS TO MAKE UNDER PROCUREMENT CONTRACTS;

1 (II) STATE THE TOTAL NUMBER AND THE DOLLAR VALUE OF
2 PAYMENTS THE UNIT PLANS TO MAKE TO SMALL BUSINESSES UNDER DESIGNATED
3 AND NONDESIGNATED SMALL BUSINESS RESERVE CONTRACTS, INCLUDING
4 PURCHASE CARD PROCUREMENTS;

5 (III) INDICATE THE PERCENTAGE THOSE PAYMENTS TO SMALL
6 BUSINESSES UNDER DESIGNATED AND NONDESIGNATED SMALL BUSINESS RESERVE
7 CONTRACTS, INCLUDING PURCHASE CARD PROCUREMENTS, REPRESENT OF THE
8 TOTAL PAYMENTS THE UNIT PLANS TO MAKE UNDER PROCUREMENT CONTRACTS;
9 AND

10 (IV) CONTAIN OTHER INFORMATION AS REQUIRED BY THE
11 GOVERNOR'S OFFICE OF MINORITY AFFAIRS.

12 (D) (1) WITHIN 90 DAYS AFTER THE END OF EACH FISCAL YEAR, EACH UNIT
13 SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS THAT
14 COMPLIES WITH THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION.

15 (2) FOR THE PRECEDING FISCAL YEAR, THE REPORT SHALL:

16 (I) STATE THE TOTAL NUMBER AND THE DOLLAR VALUE OF
17 PAYMENTS THE UNIT MADE TO SMALL BUSINESSES UNDER DESIGNATED SMALL
18 BUSINESS RESERVE CONTRACTS;

19 (II) STATE THE TOTAL NUMBER AND THE DOLLAR VALUE OF
20 PAYMENTS THE UNIT MADE TO SMALL BUSINESSES UNDER NONDESIGNATED SMALL
21 BUSINESS RESERVE CONTRACTS, INCLUDING PURCHASE CARD PROCUREMENTS;

22 (III) STATE THE TOTAL DOLLAR VALUE OF PAYMENTS THE UNIT
23 MADE UNDER PROCUREMENT CONTRACTS; AND

24 (IV) CONTAIN OTHER SUCH INFORMATION AS REQUIRED BY THE
25 GOVERNOR'S OFFICE OF MINORITY AFFAIRS.

26 (E) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE GOVERNOR'S OFFICE OF
27 MINORITY AFFAIRS SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS AND, SUBJECT
28 TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE LEGISLATIVE POLICY
29 COMMITTEE A REPORT SUMMARIZING THE INFORMATION THE OFFICE RECEIVES
30 UNDER SUBSECTION (B) OF THIS SECTION.

31 SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect ~~October 1, 2006~~ June 1, 2006.

