

HOUSE BILL 319

L1
HB 1178/07 – HGO

8lr1369

By: **Delegate Costa**

Introduced and read first time: January 24, 2008

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Local Government – Procurement – Resident Preferences**

3 FOR the purpose of prohibiting a county, Baltimore City, or a municipal corporation
4 from granting a certain preference to a resident bidder or offeror in the award of
5 certain procurement contracts under certain circumstances; repealing a certain
6 reciprocal local preference law applicable to Frederick County; repealing a
7 certain local preference law applicable to Garrett County; providing for the
8 application of this Act; defining certain terms; and generally relating to resident
9 preferences by local governments in the award of certain procurement contracts.

10 BY repealing

11 The Public Local Laws of Frederick County
12 Section 2–2–4
13 Article 11 – Public Local Laws of Maryland
14 (2004 Edition and November 2007 Supplement, as amended)

15 BY repealing

16 The Public Local Laws of Garrett County
17 Section 20–14.1
18 Article 12 – Public Local Laws of Maryland
19 (1985 Edition and October 2001 Supplement, as amended)

20 BY repealing and reenacting, without amendments,

21 Article 24 – Political Subdivisions – Miscellaneous Provisions
22 Section 1–101(a) and (b)
23 Annotated Code of Maryland
24 (2005 Replacement Volume and 2007 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article 24 – Political Subdivisions – Miscellaneous Provisions
27 Section 8–102

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2005 Replacement Volume and 2007 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That Section(s) 2–2–4 of Article 11 – Frederick County of the Code of
5 Public Local Laws of Maryland be repealed.

6 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 20–14.1 of
7 Article 12 – Garrett County of the Code of Public Local Laws of Maryland be repealed.

8 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
9 read as follows:

10 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

11 1–101.

12 (a) Unless the context clearly requires otherwise, in this article the following
13 words have the meanings indicated.

14 (b) “County” means a county of the State and Baltimore City.

15 8–102.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) “Maryland firm” means a business entity that has its principal
18 office in the State.

19 (3) “Nonresident firm” means a business entity that has its principal
20 office out of the State.

21 (b) (1) When awarding a contract by competitive bidding, if the state in
22 which a nonresident firm is located gives an advantage to its resident businesses, a
23 political subdivision or any instrumentality of government within the State may give
24 an identical advantage to the lowest responsive and responsible bid from a Maryland
25 firm over that of the nonresident firm.

26 (2) (I) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
27 **PARAGRAPH, WHEN A COUNTY OR MUNICIPAL CORPORATION USES**
28 **COMPETITIVE SEALED BIDDING OR COMPETITIVE SEALED PROPOSALS TO**
29 **AWARD A PROCUREMENT CONTRACT IN DETERMINING THE LOWEST**
30 **RESPONSIVE BID OR PROPOSAL, THE COUNTY OR MUNICIPAL CORPORATION**
31 **MAY NOT DISCRIMINATE AGAINST A MARYLAND FIRM BY GIVING AN ADVANTAGE**
32 **TO ANY OTHER MARYLAND FIRM.**

1 **(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT**
2 **PROHIBIT A COUNTY OR MUNICIPAL CORPORATION FROM GIVING AN**
3 **ADVANTAGE TO A MARYLAND FIRM AS PART OF A MINORITY BUSINESS**
4 **ENTERPRISE PROGRAM.**

- 5 **(3)** An advantage may include:
- 6 (i) A percentage preference;
 - 7 (ii) An employee residency requirement; or
 - 8 (iii) Any other provision that favors a nonresident firm over a
9 Maryland firm.

10 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall be
11 construed to apply only prospectively and may not be applied or interpreted to have
12 any effect on or application to any procurement contract entered into by a county or
13 municipal corporation before the effective date of this Act.

14 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2008.