

HOUSE BILL 561

P2

8lr2772
CF SB 301

By: ~~Delegate Morhaim~~ Delegates Morhaim, Hammen, Pendergrass, Beitzel, Benson, Bromwell, Costa, Donoghue, Elliott, Hubbard, Kach, Kullen, McDonough, Mizeur, Montgomery, Nathan-Pulliam, Oaks, Pena-Melnyk, Reznik, Tarrant, V. Turner, and Weldon

Introduced and read first time: January 31, 2008

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2008

CHAPTER _____

1 AN ACT concerning

2 **Procurement – Small Business Reserve Program – Eligibility Modifications**

3 FOR the purpose of adding the Maryland Transportation Authority and the
4 Department of Information Technology as a designated procurement ~~unit~~ units
5 under the Small Business Reserve Program; altering the definition of small
6 business by increasing certain maximum average gross sales requirements and
7 adding a category of services; requiring the Department of General Services to
8 report to certain committees of the General Assembly on or before a certain
9 date; making certain provisions of this Act contingent on the taking effect of
10 another Act; and generally relating to the Small Business Reserve Program.

11 BY repealing and reenacting, with amendments,
12 Article – State Finance and Procurement
13 Section 14–501
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2007 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Finance and Procurement
18 Section 14–501(b)(22) and (23)
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2007 Supplement)
21 (As enacted by Section 1 of this Act)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – State Finance and Procurement
3 Section 14–501(b)(24)
4 Annotated Code of Maryland
5 (2006 Replacement Volume and 2007 Supplement)
6 (As enacted by Section 1 of this Act)

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

9 **Article – State Finance and Procurement**

10 14–501.

- 11 (a) In this subtitle the following words have the meanings indicated.
- 12 (b) “Designated procurement unit” means:
- 13 (1) the State Treasurer;
 - 14 (2) the Department of Budget and Management;
 - 15 (3) the Department of Business and Economic Development;
 - 16 (4) the Department of the Environment;
 - 17 (5) the Department of General Services;
 - 18 (6) the Department of Health and Mental Hygiene;
 - 19 (7) the Department of Housing and Community Development;
 - 20 (8) the Department of Human Resources;
 - 21 (9) the Department of Juvenile Services;
 - 22 (10) the Department of Labor, Licensing, and Regulation;
 - 23 (11) the Department of Natural Resources;
 - 24 (12) the State Department of Education;
 - 25 (13) the Department of State Police;
 - 26 (14) the Department of Public Safety and Correctional Services;
 - 27 (15) the Department of Transportation;

- 1 (16) the University System of Maryland;
- 2 (17) the Maryland Port Commission;
- 3 (18) the State Retirement Agency;
- 4 (19) the Maryland Insurance Administration;
- 5 (20) the Maryland Stadium Authority;
- 6 (21) the State Lottery Agency; [and]
- 7 (22) the Morgan State University; **AND**
- 8 **(23) THE MARYLAND TRANSPORTATION AUTHORITY.**

9 (c) "Small business" means:

- 10 (1) a certified minority business enterprise, as defined in § 14–301 of
11 this title, that meets the criteria specified under paragraph (2) of this subsection; or
- 12 (2) a business, other than a broker, that meets the following criteria:
- 13 (i) the business is independently owned and operated;
- 14 (ii) the business is not a subsidiary of another business;
- 15 (iii) the business is not dominant in its field of operation;
- 16 (iv) the wholesale operations of the business did not employ
17 more than 50 persons, and the gross sales of the business did not exceed an average of
18 [\$2,000,000] **\$4,000,000** in its most recently completed 3 fiscal years;
- 19 (v) the retail operations of the business did not employ more
20 than 25 persons, and the gross sales of the business did not exceed an average of
21 [\$2,000,000] **\$3,000,000** in its most recently completed 3 fiscal years;
- 22 (vi) the manufacturing operations of the business did not employ
23 more than 100 persons, and the gross sales of the business did not exceed an average
24 of \$2,000,000 in its most recently completed 3 fiscal years;
- 25 (vii) the service operations of the business did not employ more
26 than 100 persons, and the gross sales of the business did not exceed an average of
27 [\$2,000,000] **\$10,000,000** in its most recently completed 3 fiscal years; [and]

1 (viii) the construction operations of the business did not employ
 2 more 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; **AND**

4 **(IX) THE ARCHITECTURAL AND ENGINEERING SERVICES OF**
 5 **THE BUSINESS DID NOT EMPLOY MORE THAN 100 PERSONS, AND THE GROSS**
 6 **SALES OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$4,500,000 IN ITS**
 7 **MOST RECENTLY COMPLETED 3 FISCAL YEARS.**

8 (d) "Small business reserve" means those procurements that are limited to
 9 responses from small businesses under § 14-502(b) of this subtitle.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 11 read as follows:

12 **Article - State Finance and Procurement**

13 14-501.

14 (b) "Designated procurement unit" means:

15 (22) the Morgan State University; [and]

16 (23) the Maryland Transportation Authority; AND

17 (24) **THE DEPARTMENT OF INFORMATION TECHNOLOGY.**

18 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1,
 19 2011, the Department of General Services shall report to the Senate Education,
 20 Health, and Environmental Affairs Committee and the House Health and Government
 21 Operations Committee, in accordance with § 2-1246 of the State Government Article,
 22 on whether this Act has negatively impacted small businesses with:

23 (1) wholesale operations that did not employ more than 50 persons,
 24 and gross sales that did not exceed an average of \$2,000,000 in their most recently
 25 completed 3 fiscal years;

26 (2) retail operations that did not employ more than 25 persons, and
 27 gross sales that did not exceed an average of \$2,000,000 in their most recently
 28 completed 3 fiscal years; and

29 (3) service operations that did not employ more than 100 persons, and
 30 gross sales that did not exceed an average of \$2,000,000 in their most recently
 31 completed 3 fiscal years.

32 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
 33 take effect October 1, 2008, contingent on the taking effect of Chapter (S.B.

1 212/H.B. 362) of the Acts of the General Assembly of 2008, and if Chapter _____ does not
2 become effective, Section 2 of this Act shall be null and void without the necessity of
3 further action by the General Assembly.

4 SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That, subject to Section 4 of
5 this Act, this Act shall take effect October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.