

# HOUSE BILL 1431

P2

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By: **Chair, Health and Government Operations Committee (By Request – Departmental – Veterans Affairs)**

Introduced and read first time: February 11, 2008

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, February 25, 2008

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Committee Report: Favorable

House action: Adopted

Read second time: March 19, 2008

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Procurement – Small Business Preference Program – Veteran-Owned and**  
3 **Disabled Veteran-Owned Small Businesses**

4 FOR the purpose of increasing the amount of a percentage price preference that  
5 certain State agencies must establish for small businesses under certain  
6 circumstances; establishing a percentage price preference for certain small  
7 businesses that are a certain percentage owned and controlled by one or more  
8 veterans or disabled veterans; defining certain terms; and generally relating to  
9 the Small Business Preference Program.

10 BY repealing and reenacting, with amendments,  
11 Article – State Finance and Procurement  
12 Section 14–201 and 14–206  
13 Annotated Code of Maryland  
14 (2006 Replacement Volume and 2007 Supplement)

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

17 **Article – State Finance and Procurement**

18 14–201.

19 (a) In this subtitle the following words have the meanings indicated.

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**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           **(B) “DISABLED VETERAN” MEANS A VETERAN WHO HAS BEEN**  
2 **CERTIFIED BY THE U.S. DEPARTMENT OF VETERANS AFFAIRS AS HAVING A**  
3 **SERVICE-CONNECTED DISABILITY REGARDLESS OF THE DISABILITY RATING.**

4           **(C) “DISABLED VETERAN-OWNED SMALL BUSINESS” MEANS A SMALL**  
5 **BUSINESS THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE**  
6 **INDIVIDUALS WHO ARE DISABLED VETERANS.**

7           **[(b)] (D)**       “Small business” means a business that meets the qualifications  
8 established under § 14–203 of this subtitle.

9           **[(c)] (E)**       “Small business preference” means a purchase request for which  
10 bids are invited from a list of qualified bidders that includes small businesses.

11           **(F) “VETERAN” MEANS A VETERAN AS DEFINED IN 38 U.S.C. § 101(2)**  
12 **WHO IS DOMICILED IN MARYLAND.**

13           **(G) “VETERAN-OWNED SMALL BUSINESS” MEANS A SMALL BUSINESS**  
14 **THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE**  
15 **INDIVIDUALS WHO ARE VETERANS.**

16 14–206.

17           (a) In this section, “percentage preference” means the percent of the lowest  
18 responsive bid submitted by a responsible bidder who is not a small business by which  
19 a responsive bid by a small business may:

20                   (1) exceed the lowest bid; and

21                   (2) be awarded a procurement contract under this subtitle.

22           (b) Subject to the approval of the Board, the Secretary of General Services,  
23 the Secretary of Transportation, and the Chancellor of the University System of  
24 Maryland each:

25                   (1) shall establish a percentage preference, not to exceed [5%] **8%**, for  
26 each industry[; and] **AS FOLLOWS:**

27                               **(I) A BASE PERCENTAGE PREFERENCE NOT TO EXCEED 5%**  
28 **FOR ALL SMALL BUSINESSES; AND**

29                               **(II) TWO ADDITIONAL PREFERENCES TO THE PERCENTAGE**  
30 **PREFERENCE SET FORTH IN ITEM (I) OF THIS PARAGRAPH AS FOLLOWS:**

1                                   **1.    2% FOR VETERAN-OWNED SMALL BUSINESSES;**  
2 **AND**

3                                   **2.    3% FOR DISABLED VETERAN-OWNED SMALL**  
4 **BUSINESSES; AND**

5                   (2)    may vary the percentage preference **DETERMINED IN ITEM (1)(I)**  
6 **OF THIS SUBSECTION** among industries to account for their particular  
7 characteristics.

8                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2008.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.