

CHAPTER 695

(House Bill 1431)

AN ACT concerning

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

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

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

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

Article – State Finance and Procurement

14–201.

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

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

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

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

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

(F) "VETERAN" MEANS A VETERAN AS DEFINED IN 38 U.S.C. § 101(2) WHO IS DOMICILED IN MARYLAND.

(G) "VETERAN-OWNED SMALL BUSINESS" MEANS A SMALL BUSINESS THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS WHO ARE VETERANS.

14-206.

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

- (1) exceed the lowest bid; and
- (2) be awarded a procurement contract under this subtitle.

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

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

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

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

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

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

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

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

Approved by the Governor, May 22, 2008.