

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1171 (Delegate Kipke)
Health and Government Operations

State Government - Promotional Items for Giveaways - Purchase Limitations

This bill prohibits a primary procurement unit from procuring on behalf of a State agency any promotional items of inconsequential value for use as giveaways to the public or other targeted persons without the written approval of the head of the agency making the request. Items subject to the prohibition include pens, key chains, coffee mugs, tote bags, and other similar items.

Fiscal Summary

State Effect: Potential minimal savings in procurement expenditures, although the affected primary procurement units indicate that they will continue to purchase promotional items by obtaining the necessary written authorization.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State procurement law recognizes and assigns different functions to several primary procurement units for most State agencies:

- the State Treasurer controls the procurement of banking, financial services, and insurance;
- the Department of Budget and Management controls the procurement of services and vehicle leases;

- the Department of General Services (DGS) controls the procurement of real property leases, supplies, construction, construction-related services, and architectural or engineering services; and
- the Department of Information Technology controls the procurement of information processing and telecommunications equipment and services.

In addition, the Maryland Department of Transportation (MDOT), Maryland Transportation Authority (MDTA), Maryland Port Commission, and Department of Public Safety and Correctional Services control procurements for supplies and/or services related to their respective areas of responsibility (transportation, bridge/tunnel/road construction and maintenance, port administration, and prisons, respectively).

As DGS controls the procurement of supplies for most State agencies, it would be primarily responsible for ensuring compliance with the bill's prohibition, although other procurement control agencies may also be affected to the extent they are authorized to purchase supplies, most notably MDOT and the University System of Maryland, Morgan State University, and St. Mary's College of Maryland.

State Fiscal Effect: DGS was not able to provide the amount it spends annually on promotional items in time for inclusion in this fiscal and policy note, but DGS indicates that the bill will have no fiscal effect because the agency can obtain the necessary written authorization for future expenditures on promotional items. MDTA reports spending about \$21,000 annually for promotional items, mostly related to the EZ-Pass automated toll system, and advises that it will likely continue to do so with the approval of its director. MDTA cites research that indicates that promotional items generate public goodwill toward companies that provide them. The Maryland Transit Administration also advises that its public marketing campaign provides a critical link to its ridership, and that it will continue to use promotional items with the authorization of its director.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Board of Public Works, Department of Budget and Management, State Ethics Commission, Governor's Office, Department of General Services, Maryland Department of Transportation, University System of Maryland, Department of Legislative Services

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