

# HOUSE BILL 456

P2

2lr2042  
CF 2lr2160

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By: **Delegates Reznik, Mizeur, Kipke, Donoghue, A. Kelly, and Ready**

Introduced and read first time: February 1, 2012

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Small Business Reserve Program – Definition of Small Business – Revision**

3 FOR the purpose of altering the definition of “small business” under the Small  
4 Business Reserve Program under the State procurement law; including small  
5 businesses that meet either the limitation on employees employed by the  
6 business or the limitation on gross sales of the business under the Small  
7 Business Reserve Program; and general relating to the Small Business Reserve  
8 Program.

9 BY repealing and reenacting, without amendments,  
10 Article – State Finance and Procurement  
11 Section 14–501(a)  
12 Annotated Code of Maryland  
13 (2009 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – State Finance and Procurement  
16 Section 14–501(c)  
17 Annotated Code of Maryland  
18 (2009 Replacement Volume and 2011 Supplement)

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

21 **Article – State Finance and Procurement**

22 14–501.

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

24 (c) “Small business” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) a certified minority business enterprise, as defined in § 14–301 of  
2 this title, that meets the criteria specified under paragraph (2) of this subsection; or

3 (2) a business, other than a broker, that meets the following criteria:

4 (i) the business is independently owned and operated;

5 (ii) the business is not a subsidiary of another business;

6 (iii) the business is not dominant in its field of operation; **AND**

7 (iv) **1. A.** the wholesale operations of the business did not  
8 employ more than 50 persons[, and the gross sales of the business did not exceed an  
9 average of \$4,000,000] in its most recently completed 3 fiscal years;

10 [(v)] **B.** the retail operations of the business did not employ  
11 more than 25 persons[, and the gross sales of the business did not exceed an average  
12 of \$3,000,000] in its most recently completed 3 fiscal years;

13 [(vi)] **C.** the manufacturing operations of the business did not  
14 employ more than 100 persons[, and the gross sales of the business did not exceed an  
15 average of \$2,000,000] in its most recently completed 3 fiscal years;

16 [(vii)] **D.** the service operations of the business did not employ  
17 more than 100 persons[, and the gross sales of the business did not exceed an average  
18 of \$10,000,000] in its most recently completed 3 fiscal years;

19 [(viii)] **E.** the construction operations of the business did not  
20 employ more than 50 persons[, and the gross sales of the business did not exceed an  
21 average of \$7,000,000] in its most recently completed 3 fiscal years; and

22 [(ix)] **F.** the architectural and engineering services of the  
23 business did not employ more than 100 persons[, and the gross sales of the business  
24 did not exceed an average of \$4,500,000] in its most recently completed 3 fiscal years;  
25 **OR**

26 **2. A. THE GROSS SALES OF THE WHOLESALE**  
27 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$4,000,000 IN**  
28 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;**

29 **B. THE GROSS SALES OF THE RETAIL OPERATIONS**  
30 **OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$3,000,000 IN ITS MOST**  
31 **RECENTLY COMPLETED 3 FISCAL YEARS;**

1                   **C. THE GROSS SALES OF THE MANUFACTURING**  
2 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$2,000,000 IN**  
3 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS;**

4                   **D. THE GROSS SALES OF THE SERVICE OPERATIONS**  
5 **OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$10,000,000 IN ITS MOST**  
6 **RECENTLY COMPLETED 3 FISCAL YEARS;**

7                   **E. THE GROSS SALES OF THE CONSTRUCTION**  
8 **OPERATIONS OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF \$7,000,000 IN**  
9 **ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS; AND**

10                   **F. THE GROSS SALES OF THE ARCHITECTURAL AND**  
11 **ENGINEERING SERVICES OF THE BUSINESS DID NOT EXCEED AN AVERAGE OF**  
12 **\$4,500,000 IN ITS MOST RECENTLY COMPLETED 3 FISCAL YEARS.**

13                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2012.