

SENATE BILL 1084

P2, P3

(7lr3665)

ENROLLED BILL

— *Education, Health, and Environmental Affairs/Health and Government Operations* —

Introduced by **Senator Waugh**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 ~~State Finance and Procurement – Veteran-Owned Small Business Enterprises~~

3 ~~Definitions~~

4 ~~Task Force on Veteran-Owned Small Business Enterprise Participation in~~

5 ~~Procurement~~

6 ~~State Finance and Procurement – Veteran-Owned Small Business Enterprises –~~

7 ~~Definitions and Penalties~~

8 FOR the purpose of ~~defining “small business” and “veteran” for the purposes of certain~~
9 ~~provisions of law relating to procurement from veteran-owned small business~~
10 ~~enterprises; altering the definition of “veteran-owned small business enterprise”;~~
11 ~~and generally relating to veteran-owned small business enterprises establishing the~~
12 ~~Task Force on Veteran-Owned Small Business Enterprise Participation in~~
13 ~~Procurement; providing for the composition, chair, and staffing of the Task Force;~~
14 ~~prohibiting a member of the Task Force from receiving certain compensation, but~~

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.

Italics indicate opposite chamber/conference committee amendments.



~~authorizing the reimbursement of certain expenses; establishing the duties of the Task Force; requiring the Task Force to report its findings and recommendations to the Governor and General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force on Veteran-Owned Small Business Enterprise Participation in Procurement defining “veteran” and altering the definition of “veteran-owned small business enterprise” for the purposes of certain provisions of law relating to the structure of a unit’s procurement procedures; authorizing certain penalties to be applied to a person that willfully misrepresents a business as a veteran-owned small business enterprise; providing for a delayed effective date; and generally relating to veteran-owned small business enterprises.~~

~~BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14-601
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)~~

~~BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14-601
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)~~

~~BY adding to
Article – State Finance and Procurement
Section 14-606
Annotated Code of Maryland
(2015 Replacement Volume and 2016 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~~

~~14-601.~~

~~(A) In this subtitle[, “veteran-owned”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) “SMALL BUSINESS” HAS THE MEANING STATED IN § 14-501 OF THIS TITLE.~~

~~(C) “VETERAN” MEANS AN INDIVIDUAL WHO SERVED ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES, OTHER THAN FOR TRAINING, AND WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.~~

1 ~~(D) “VETERAN OWNED small business enterprise” means a SMALL business~~
2 ~~that is [verified by the Center for Veterans Enterprise of the United States Department of~~
3 ~~Veterans Affairs as a veteran owned small business] AT LEAST 51% OWNED BY ONE OR~~
4 ~~MORE INDIVIDUALS WHO ARE VETERANS.~~

5 ~~(a) There is a Task Force on Veteran Owned Small Business Enterprise~~
6 ~~Participation in Procurement.~~

7 ~~(b) The Task Force consists of the following members:~~

8 ~~(1) one member of the Senate of Maryland, appointed by the President of~~
9 ~~the Senate;~~

10 ~~(2) one member of the House of Delegates, appointed by the Speaker of the~~
11 ~~House;~~

12 ~~(3) the Secretary of Veterans Affairs, or the Secretary’s designee;~~

13 ~~(4) the Secretary of Commerce, or the Secretary’s designee;~~

14 ~~(5) the Secretary of General Services, or the Secretary’s designee;~~

15 ~~(6) the Secretary of Information Technology, or the Secretary’s designee;~~

16 ~~(7) the Secretary of Budget and Management, or the Secretary’s designee;~~

17 ~~(8) the Secretary of Transportation, or the Secretary’s designee;~~

18 ~~(9) the Chancellor of the University System of Maryland, or the~~
19 ~~Chancellor’s designee;~~

20 ~~(10) the Special Secretary of the Governor’s Office of Minority Affairs, or the~~
21 ~~Special Secretary’s designee;~~

22 ~~(11) the Procurement Advisor to the Board of Public Works;~~

23 ~~(12) one Maryland resident veteran owner of a veteran owned small~~
24 ~~business enterprise, as defined in § 14-601 of the State Finance and Procurement Article,~~
25 ~~appointed by the Governor; and~~

26 ~~(13) one Maryland resident veteran owner of a small business, as defined in~~
27 ~~§ 14-501 of the State Finance and Procurement Article, that is not a veteran owned small~~
28 ~~business enterprise, as defined in § 14-601 of the State Finance and Procurement Article,~~
29 ~~appointed by the Governor.~~

1 ~~(e) The Governor shall designate the chair of the Task Force.~~

2 ~~(d) The State agencies represented on the Task Force shall provide staff for the~~
3 ~~Task Force, as directed by the chair of the Task Force.~~

4 ~~(e) A member of the Task Force:~~

5 ~~(1) may not receive compensation as a member of the Task Force; but~~

6 ~~(2) is entitled to reimbursement for expenses under the Standard State~~
7 ~~Travel Regulations, as provided in the State budget.~~

8 ~~(f) The Task Force shall:~~

9 ~~(1) study methods to increase veteran-owned small business enterprise~~
10 ~~participation in State procurement and ensure compliance with the State's 1% purchasing~~
11 ~~goal;~~

12 ~~(2) investigate and analyze barriers to veteran-owned small business~~
13 ~~enterprise participation that hinder compliance with the State's 1% purchasing goal,~~
14 ~~including the requirement in § 14-601 of the State Finance and Procurement Article for~~
15 ~~verification by the Center for Veterans Enterprise of the United States Department of~~
16 ~~Veterans Affairs;~~

17 ~~(3) compare and contrast the current Veteran-Owned Small Business~~
18 ~~Enterprise Participation Program to similar programs in the federal government and other~~
19 ~~state governments, focusing on ease of access by interested firms, and methods of~~
20 ~~verification, certification, and fraud protection;~~

21 ~~(4) compare and contrast the current Veteran-Owned Small Business~~
22 ~~Enterprise Participation Program to similar programs in Maryland, such as the Small~~
23 ~~Business Reserve Program and the Minority Business Enterprise Participation Program,~~
24 ~~focusing on ease of access by interested firms, and methods of verification, certification, and~~
25 ~~fraud prevention; and~~

26 ~~(5) make specific recommendations for legislative and regulatory changes~~
27 ~~to increase compliance with the State's 1% purchasing goal for veteran-owned small~~
28 ~~business enterprise participation in State procurement.~~

29 ~~(g) On or before December 31, 2017, the Task Force shall report its findings and~~
30 ~~recommendations, including specific proposals for legislation or regulation, to the Governor~~
31 ~~and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

32 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
33 ~~October 1, 2017. June 1, 2017. It shall remain effective for a period of 1 year and, at the~~
34 ~~end of May 31, 2018, with no further action required by the General Assembly, this Act~~
35 ~~shall be abrogated and of no further force and effect.~~

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

3 Article – State Finance and Procurement

4 14-601.

5 (A) In this subtitle[, “veteran-owned”] THE FOLLOWING WORDS HAVE THE
6 MEANINGS INDICATED.

7 (B) “VETERAN” MEANS AN INDIVIDUAL WHO SERVED ON ACTIVE DUTY IN
8 THE ARMED FORCES OF THE UNITED STATES, OTHER THAN FOR TRAINING, AND WAS
9 DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.

10 (C) “VETERAN-OWNED small business enterprise” means a business that:

11 (1) MEETS THE SIZE STANDARDS ADOPTED BY THE UNITED STATES
12 SMALL BUSINESS ADMINISTRATION IN 13 C.F.R. 121.201 AND ANY SUBSEQUENT
13 REVISION OF THAT REGULATION; AND

14 (2) is [verified by the Center for Veterans Enterprise of the United States
15 Department of Veterans Affairs as a veteran-owned small business] AT LEAST 51% OWNED
16 BY ONE OR MORE INDIVIDUALS WHO:

17 (I) ARE VETERANS; AND

18 (II) CONTROL THE MANAGEMENT AND DAILY OPERATIONS OF
19 THE BUSINESS.

20 14-606.

21 IN ADDITION TO THE PENALTIES UNDER § 14-605(B) OF THIS SUBTITLE, A
22 PERSON THAT WILLFULLY MISREPRESENTS A BUSINESS AS A VETERAN-OWNED
23 SMALL BUSINESS ENTERPRISE FOR PURPOSES OF OBTAINING OR RETAINING A
24 CONTRACT OR SUBCONTRACT MAY BE SUBJECT TO:

25 (1) SUSPENSION OR DEBARMENT UNDER TITLE 16 OF THIS ARTICLE;
26 OR

27 (2) CIVIL PENALTIES UNDER THE MARYLAND FALSE CLAIMS ACT
28 UNDER TITLE 8 OF THE GENERAL PROVISIONS ARTICLE.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.