

# SENATE BILL 1084

P2, P3

7lr3665  
CF HB 587

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By: **Senator Waugh**

Introduced and read first time: February 16, 2017

Assigned to: Rules

Re-referred to: Education, Health, and Environmental Affairs, February 22, 2017

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2017

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## 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 FOR the purpose of ~~defining “small business” and “veteran” for the purposes of certain~~  
7 ~~provisions of law relating to procurement from veteran owned small business~~  
8 ~~enterprises; altering the definition of “veteran owned small business enterprise”;~~  
9 ~~and generally relating to veteran owned small business enterprises~~ establishing the  
10 Task Force on Veteran-Owned Small Business Enterprise Participation in  
11 Procurement; providing for the composition, chair, and staffing of the Task Force;  
12 prohibiting a member of the Task Force from receiving certain compensation, but  
13 authorizing the reimbursement of certain expenses; establishing the duties of the  
14 Task Force; requiring the Task Force to report its findings and recommendations to  
15 the Governor and General Assembly on or before a certain date; providing for the  
16 termination of this Act; and generally relating to the Task Force on Veteran-Owned  
17 Small Business Enterprise Participation in Procurement.

18 ~~BY repealing and reenacting, with amendments,~~  
19 ~~Article – State Finance and Procurement~~  
20 ~~Section 14-601~~  
21 ~~Annotated Code of Maryland~~  
22 ~~(2015 Replacement Volume and 2016 Supplement)~~

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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.



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.~~

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

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

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

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

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

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

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

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

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

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

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

1           (9) the Chancellor of the University System of Maryland, or the  
2 Chancellor's designee;

3           (10) the Special Secretary of the Governor's Office of Minority Affairs, or the  
4 Special Secretary's designee;

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

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

9           (13) one Maryland resident veteran owner of a small business, as defined in  
10 § 14-501 of the State Finance and Procurement Article, that is not a veteran-owned small  
11 business enterprise, as defined in § 14-601 of the State Finance and Procurement Article,  
12 appointed by the Governor.

13       (c) The Governor shall designate the chair of the Task Force.

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

16       (e) A member of the Task Force:

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

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

20       (f) The Task Force shall:

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

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

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

1           (4) compare and contrast the current Veteran–Owned Small Business  
 2 Enterprise Participation Program to similar programs in Maryland, such as the Small  
 3 Business Reserve Program and the Minority Business Enterprise Participation Program,  
 4 focusing on ease of access by interested firms, and methods of verification, certification, and  
 5 fraud prevention; and

6           (5) make specific recommendations for legislative and regulatory changes  
 7 to increase compliance with the State’s 1% purchasing goal for veteran–owned small  
 8 business enterprise participation in State procurement.

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

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.