

## Chapter 740

**(Senate Bill 1165)**

AN ACT concerning

**Procurement – Veteran–Owned Small Business Enterprise Participation**

FOR the purpose of altering the definition of “veteran” for purposes of certain provisions of law governing veteran–owned small business enterprise participation in procurement to include only individuals who are verified by the State Department of Veterans Affairs as having served on certain duty and were discharged or released under conditions other than dishonorable; requiring the Governor’s Office of Small, Minority, and Women Business Affairs, rather than the Board of Public Works, to adopt regulations to implement certain provisions of law, to establish procedures for tracking and reporting participation of veteran–owned small business enterprises under certain provisions of law, and to report to a certain committee on or before a certain date each year; providing for the effective date of certain provisions of this Act; and generally relating to veteran–owned small business enterprise participation in procurement.

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 14–601

Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)

(As enacted by Chapters 708 and 709 of the Acts of the General Assembly of 2017)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 14–604

Annotated Code of Maryland

(2015 Replacement Volume and 2017 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 the following words have the meanings indicated.

(b) “Veteran” means an individual who **IS VERIFIED BY THE STATE DEPARTMENT OF VETERANS AFFAIRS AS HAVING** 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.

(c) “Veteran–owned small business enterprise” means a business that:

- (1) meets the size standards adopted by the United States Small Business Administration in 13 C.F.R. 121.201 and any subsequent revision of that regulation; and
- (2) is at least 51% owned by one or more individuals who:
  - (i) are veterans; and
  - (ii) control the management and daily operations of the business.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article – State Finance and Procurement**

14–604.

The [Board] **GOVERNOR’S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS** shall:

- (1) adopt regulations to implement this subtitle;
- (2) establish procedures for tracking and reporting participation of veteran–owned small business enterprises under this subtitle; and
- (3) on or before December 1 of each year, report to the Legislative Policy Committee on:
  - (i) the number and amount of contracts awarded to veteran–owned small business enterprises under this subtitle; and
  - (ii) the effectiveness of the program under this subtitle.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2018, the effective date of Chapters 708 and 709 of the Acts of the General Assembly of 2017. If the effective date of Chapters 708 and 709 is amended, Section 1 of this Act shall take effect on the taking effect of Chapters 708 and 709.

SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this Act, this Act shall take effect October 1, 2018.

**Approved by the Governor, May 15, 2018.**