

HOUSE BILL 650

P2

11r2050
CF 11r2087

By: **Delegate Boyce**

Introduced and read first time: January 22, 2021

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Minority Business Enterprises – Sexual and Gender Minorities**
3 **(Imari’s Business Pride Act)**

4 FOR the purpose of altering the definition of “socially and economically disadvantaged
5 individual” for purposes of certifying certain minority business enterprises to include
6 certain sexual and gender minorities; and generally relating to minority business
7 enterprises.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 14–301
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2020 Supplement)

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

15 **Article – State Finance and Procurement**

16 14–301.

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

18 (b) “Certification” means the determination that a legal entity is a minority
19 business enterprise for the purposes of this subtitle.

20 (c) “Certification agency” means the agency designated by the Board of Public
21 Works under § 14–303(b) of this subtitle to certify and decertify minority business
22 enterprises.

23 (d) “Certified minority business enterprise” means a minority business enterprise

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 that holds a certification.

2 (e) “Economically disadvantaged individual” means a socially disadvantaged
3 individual whose ability to compete in the free enterprise system has been impaired due to
4 diminished capital and credit opportunities as compared to others in the same or similar
5 line of business who are not socially disadvantaged.

6 (f) “Minority business enterprise” means any legal entity, except a joint venture,
7 that is:

8 (1) organized to engage in commercial transactions;

9 (2) at least 51% owned and controlled by 1 or more individuals who are
10 socially and economically disadvantaged; and

11 (3) managed by, and the daily business operations of which are controlled
12 by, one or more of the socially and economically disadvantaged individuals who own it.

13 (g) “Minority business enterprise participation schedule” means a schedule
14 included in the submission of a bid or offer that identifies:

15 (1) the certified minority business enterprises that a bidder or offeror
16 agrees to use in the performance of the contract; and

17 (2) the percentage of contract value attributed to each certified minority
18 business enterprise.

19 (h) “Nonprofit entity” means a corporation that:

20 (1) is incorporated in the State or otherwise qualified to do business in the
21 State;

22 (2) has been determined by the Internal Revenue Service to be exempt from
23 taxation under § 501(c)(3), (4), or (6) of the Internal Revenue Code; and

24 (3) is organized to promote the interests of physically or mentally disabled
25 individuals.

26 (i) (1) Subject to paragraphs (2) and (3) of this subsection, “personal net
27 worth” means the net value of the assets of an individual remaining after total liabilities
28 are deducted.

29 (2) “Personal net worth” includes the individual’s share of assets held
30 jointly or as community property with the individual’s spouse.

31 (3) “Personal net worth” does not include:

1 (i) the individual's ownership interest in the applicant or a certified
2 minority business enterprise;

3 (ii) the individual's equity in his or her primary place of residence;
4 or

5 (iii) up to \$500,000 of the cash value of any qualified retirement
6 savings plans or individual retirement accounts.

7 (j) "Race-neutral measure" means a method that is or can be used to assist all
8 small businesses.

9 (k) (1) Subject to paragraphs (2) and (3) of this subsection, and in accordance
10 with the State's most recent disparity study, "socially and economically disadvantaged
11 individual" means a citizen or lawfully admitted permanent resident of the United States
12 who is:

13 (i) in any of the following minority groups:

14 1. African American – an individual having origins in any of
15 the black racial groups of Africa;

16 2. American Indian/Native American – an individual having
17 origins in any of the original peoples of North America and who is a documented member
18 of a North American tribe, band, or otherwise has a special relationship with the United
19 States or a state through treaty, agreement, or some other form of recognition. This
20 includes an individual who claims to be an American Indian/Native American and who is
21 regarded as such by the American Indian/Native American community of which the
22 individual claims to be a part, but does not include an individual of Eskimo or Aleutian
23 origin;

24 3. Asian – an individual having origins in the Far East,
25 Southeast Asia, or the Indian subcontinent, and who is regarded as such by the community
26 of which the person claims to be a part;

27 4. Hispanic – an individual of Mexican, Puerto Rican, Cuban,
28 Central or South American, or other Spanish culture or origin, regardless of race, and who
29 is regarded as such by the community of which the person claims to be a part;

30 5. physically or mentally disabled – notwithstanding the
31 State's most recent disparity study, an individual who has an impairment that
32 substantially limits one or more major life activities, who is regarded generally by the
33 community as having such a disability, and whose disability has substantially limited his
34 or her ability to engage in competitive business; [or]

35 6. women – a woman, regardless of race or ethnicity; or

1 **7. SEXUAL OR GENDER MINORITY – A LESBIAN, GAY,**
2 **BISEXUAL, OR TRANSGENDER INDIVIDUAL, REGARDLESS OF RACE OR ETHNICITY;**
3 **OR**

4 (ii) otherwise found by the certification agency to be a socially and
5 economically disadvantaged individual.

6 (2) There is a rebuttable presumption that an individual who is a member
7 of a minority group under paragraph (1)(i) of this subsection is socially and economically
8 disadvantaged.

9 (3) An individual whose personal net worth exceeds \$1,500,000, as
10 adjusted annually for inflation according to the Consumer Price Index, may not be found to
11 be economically disadvantaged.

12 (1) “Socially disadvantaged individual” means an individual who has been
13 subjected to racial or ethnic prejudice or cultural bias within American society because of
14 membership in a group and without regard to individual qualities. Social disadvantage
15 must stem from circumstances beyond the control of the individual.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2021.