

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

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14–301
Annotated Code of Maryland
(2015 Replacement Volume and 2020 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

14–301.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Certification” means the determination that a legal entity is a minority business enterprise for the purposes of this subtitle.
- (c) “Certification agency” means the agency designated by the Board of Public Works under § 14–303(b) of this subtitle to certify and decertify minority business enterprises.
- (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.



that holds a certification.

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

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

(1) organized to engage in commercial transactions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) in any of the following minority groups:

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

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

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

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

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

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

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

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

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

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

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

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