HOUSE BILL 1152

By: Delegates Chisholm, Fisher, Kipke, M. Morgan, and Szeliga
Introduced and read first time: February 10, 2023
Assigned to: Ways and Means and Economic Matters

A BILL ENTITLED

AN ACT concerning

Entrepreneurial Equity Act

FOR the purpose of requiring the Secretary of Labor and certain professional licensing boards to waive certain license and registration fees imposed on certain persons establishing a new business under certain circumstances; requiring the State Department of Assessments and Taxation to waive certain recording and filing fees imposed on a person establishing a new business under certain circumstances; requiring the Department of Commerce to direct a certain percentage of funding budgeted for the State’s economic development and financial assistance programs to be allocated to supporting certain organizations and programs; requiring the Division of Workforce Development and Adult Learning within the Maryland Department of Labor to direct a certain percentage of workforce development funding to be allocated to supporting certain organizations and programs; requiring the Office of State Procurement within the Department of General Services to direct a certain percentage of certain procurements designated for the small business reserve to certain businesses that have been in operation for a certain period of time; and generally relating to fee relief, economic development assistance, and procurement opportunities for new and recently established small businesses.

BY adding to

Article – Business Occupations and Professions
Section 1–209
Annotated Code of Maryland
(2018 Replacement Volume and 2022 Supplement)

BY adding to

Article – Business Regulation
Section 2–111
Annotated Code of Maryland
(2015 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Business Occupations and Professions

1–209.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE SECRETARY AND EACH PROFESSIONAL LICENSING BOARD ESTABLISHED UNDER THIS ARTICLE SHALL WAIVE ANY LICENSE OR REGISTRATION FEE IMPOSED ON A PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME–BASED BUSINESS, WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.

Article – Business Regulation

2–111.
NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE SECRETARY AND EACH PROFESSIONAL LICENSING BOARD ESTABLISHED UNDER THIS ARTICLE SHALL WAIVE ANY LICENSE OR REGISTRATION FEE IMPOSED ON A PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME–BASED BUSINESS, WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.

Article – Corporations and Associations

1–210.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE DEPARTMENT SHALL WAIVE ANY RECORDING OR FILING FEE IMPOSED UNDER THIS TITLE ON A PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME–BASED BUSINESS, WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.

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

Article – Economic Development

5–102.

(A) The Department shall administer the State’s economic development and financial assistance programs and funds including:

1. the BRAC Revitalization and Incentive Zone Program, under Subtitle 13 of this title;
2. the Enterprise Fund, under Subtitle 6 of this title;
3. the Enterprise Zones Program, under Subtitle 7 of this title;
4. the Make Office Vacancies Extinct Program, under Subtitle 15 of this title;
5. the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;
6. the Maryland Economic Development Assistance Authority and Fund, under Subtitle 3 of this title;
7. the Maryland Industrial Development Financing Authority, under Subtitle 4 of this title;
8. the Maryland Small Business Development Financing Authority, under Subtitle 5 of this title;
(9) the Appalachian Regional Development Program, under Title 13, Subtitle 1 of this article;

(10) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development;

(11) the Regional Institution Strategic Enterprise Zone Program under Subtitle 14 of this title; and

(12) any other programs or funds designated by statute, the Governor, or the Secretary.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT SHALL DIRECT AT LEAST 10% OF THE FUNDING BUDGETED FOR THE STATE’S ECONOMIC DEVELOPMENT AND FINANCIAL ASSISTANCE PROGRAMS, INCLUDING COMMUNITY DEVELOPMENT BLOCK GRANTS, TO BE ALLOCATED TO SUPPORTING ORGANIZATIONS OR PROGRAMS THAT:

(1) ASSIST INDIVIDUALS STARTING NEW BUSINESSES; OR

(2) PROVIDE SERVICES TO BUSINESSES THAT HAVE BEEN IN OPERATION FOR LESS THAN 5 YEARS AND WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THE STATE.

Article – State Finance and Procurement

4–309.
ON OR BEFORE JULY 1, 2025, AND ANNUALLY THEREAFTER, THE OFFICE OF STATE PROCUREMENT IN THE DEPARTMENT OF GENERAL SERVICES SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, ON:

1. THE NUMBER AND TOTAL VALUE OF STATE CONTRACTS AWARDED DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN IN OPERATION FOR LESS THAN 5 YEARS, INCLUDING A BREAKDOWN BY DEMOGRAPHIC SEGMENTS AND GEOGRAPHICAL AREAS OF THE STATE;

2. THE PERCENTAGE OF THE TOTAL NUMBER OF STATE CONTRACTS AWARDED DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN IN OPERATION FOR AT LEAST 5 YEARS COMPARED TO THE TOTAL NUMBER OF CONTRACTS AWARDED;

3. THE PERCENTAGE OF THE TOTAL VALUE OF STATE CONTRACTS AWARDED DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN IN OPERATION FOR AT LEAST 5 YEARS COMPARED TO THE TOTAL NUMBER OF CONTRACTS AWARDED; AND

4. RECOMMENDATIONS TO IMPROVE ACCESS TO STATE CONTRACTS FOR MARYLAND BUSINESSES THAT HAVE BEEN IN OPERATION FOR LESS THAN 5 YEARS, INCLUDING BUSINESSES IN STATISTICALLY UNDERREPRESENTED DEMOGRAPHIC SEGMENTS AND GEOGRAPHIC AREAS OF THE STATE.

14–502.1.

(a) (1) This section applies to a procurement by any unit or agency of the Executive Branch of State government for goods, supplies, services, maintenance, construction, construction–related services, architectural services, or engineering services.

(2) This section does not apply to:

(i) procurements made under Subtitle 1 of this title;

(ii) procurements involving expenditures of federal dollars, to the extent that inclusion in the small business reserve program conflicts with federal law or grant provisions;

(iii) procurements with a total dollar value under $50,000;

(iv) the procurement of human, social, cultural, or educational services; or
term and master contracts exempted under subsection (c) of this section.

(b) (1) [A] Subject to subparagraph (ii) of this paragraph, a procurement with a total dollar value between $50,000 and $500,000 shall be designated for the small business reserve.

(ii) The Office of State Procurement in the Department of General Services shall direct at least 10% of all open procurements designated for the small business reserve to businesses that have been in operation for less than 5 years and whose principal place of business is located in the State.

(2) Each unit or agency shall implement this subsection in a manner consistent with all applicable statutes, including the requirements of Subtitle 3 of this title.

(c) (1) A procurement may be exempt from designation under subsection (b) of this section if the Governor’s Office of Small, Minority, and Women Business Affairs certifies, concurrently with review of any waiver determinations for certified minority business enterprise participation contract goals, that it is not practicable to do so.

(2) The Office of State Procurement in the Department of General Services shall assist the Governor’s Office of Small, Minority, and Women Business Affairs in establishing procedures and guidelines for the exemption of procurements under paragraph (1) of this subsection.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2023.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2023.