

## Chapter 161

**(House Bill 543)**

AN ACT concerning

**State Procurement – Small Procurement – Definition**

FOR the purpose of altering certain dollar thresholds of spending for the purposes of defining “small procurement” for State procurement contracts; and generally relating to small procurements.

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 13–109  
Annotated Code of Maryland  
(2021 Replacement Volume and 2022 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**

13–109.

(a) In this section, “small procurement” means a procurement for which:

- (1) a unit spends **[\$50,000] \$100,000** or less;
- (2) a contractor provides services subject to § 11–202(3) of this article for expected annual revenues of **[\$50,000] \$100,000** or less;
- (3) the Department of General Services or the Department of Transportation is seeking to award a procurement contract for a construction with a value that is **[\$100,000] \$200,000** or less;
- (4) the Department of Natural Resources is seeking to award a procurement contract for capital projects or maintenance with a value that is **[\$100,000] \$200,000** or less; or
- (5) for purposes of administering Title 29, Subtitle 1 of the State Personnel and Pensions Article, the State Retirement Agency spends **[\$50,000] \$100,000** or less during a fiscal year for:
  - (i) expenses related to independent medical evaluations by a physician; and

(ii) any expenses related to testimony by the physician at administrative hearings on behalf of the Agency.

(b) A unit may make small procurements in accordance with the regulations of primary procurement units.

(c) A primary procurement unit may not create a small procurement by artificial division of a procurement.

(d) Any regulation of a primary procurement unit to govern small procurements:

(1) shall provide for a simplified administrative procedure;

(2) shall be consistent with the basic intent of this Division II; and

(3) may not be disadvantageous economically to the State.

(e) At least every 3 years, the Board shall:

(1) review the prevailing costs of labor and materials; and

(2) if warranted by changes in cost, recommend to the General Assembly appropriate adjustments in the ceiling for a small procurement.

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

**Approved by the Governor, April 24, 2023.**