

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1460 (Delegate Young, *et al.*)
Health and Government Operations

State Procurement - Prohibited Certifications - Boycotts of Foreign Countries

This bill prohibits a procurement officer from requiring a bidder or offeror to affirm, as a condition of submitting a bid or proposal on a State procurement contract, that the bidder or offer is not participating in or will not engage in a boycott of a foreign country for the duration of the contractual obligations, except as required by State procurement law or federal law.

Fiscal Summary

State Effect: None. The bill does not meaningfully change State activities or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: Executive Order 01.01.2017.25 of 2017, which remains in effect, prohibits Executive Branch agencies from executing a procurement contract with a business entity unless the entity certifies in writing when the bid is submitted or the contract is renewed that the business entity (1) is not engaging in a boycott of Israel and (2) will, for the duration of the contractual obligations, refrain from a boycott of Israel. The executive order provides specified language for the certification by bidders or offerors.

While State law does not preclude any potential bidder or offeror on a State contract from participating in the boycott of any other country, it does require the Board of Trustees of the State Retirement and Pension System to divest from any company whose shares are

held in an actively traded separate account in its portfolio that is doing business in Iran or Sudan as well as any investments in specified Russian businesses.

Furthermore, the Maryland Foreign Discriminatory Boycotts Act, codified in the Commercial Law Article, makes it unlawful for any person to knowingly participate in a discriminatory boycott or knowingly aid or assist any other person in participating in a discriminatory boycott. A “discriminatory boycott” is a boycott that occurs when a person makes a business agreement with a foreign government, person, or international organization – without authorization under federal law – that enforces restrictions on business relationships based on a domestic individual’s race, color, religion, sex, sexual orientation, disability, gender identity, or national origin. Any provision of a contract or other document or agreement that violates this law must be considered null and void as being against the public policy of the State of Maryland. Any person that willingly violates the law is guilty of a misdemeanor and on conviction, is subject to a fine of up to \$50,000, imprisonment of up to six months, or both.

Federal Law

Federal law prohibits any person from participating in any boycott fostered or imposed by a foreign country against another foreign country that is friendly to the United States and which is not itself the object of any boycott under U.S. law. The federal law preempts any state law that pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered by foreign countries.

Additional Comment: The Office of State Procurement within the Department of General Services advises that, despite the requirements of the executive order, it does not currently include any of the provisions prohibited by the bill in contracts or contract templates used by Executive Branch agencies.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland State Treasurer’s Office; Department of General Services; Board of Public Works; Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2025
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