

HB1422/793821/1

BY: Government, Labor, and Elections Committee

AMENDMENTS TO HOUSE BILL 1422
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after the first “**State**” insert “**Procurement and**”; in the same line, after “**Personnel –**” insert “**Liquidated Damages Documentation Requirements and**”; in line 3, after the first “of” insert “requiring units of State government to provide certain documentation to the Board of Public Works and the Joint Audit and Evaluation Committee if the unit decides not to pursue certain liquidated damages;”; strike beginning with “grant” in line 3 down through “circumstances” in line 4 and substitute “set the pay scale for certain chief financial officer positions in order to assist with recruitment and retention”; strike beginning with the second “certain” in line 4 down through “select” in line 5 and substitute “the Secretary to establish certain minimum qualifications for”; in line 5, strike “meet” and substitute “consider”; in line 6, strike “requirements;” and substitute “qualifications; requiring the Department of Budget and Management to adopt certain regulations on or before a certain date;”; in line 10, after “to” insert “liquidated damages documentation requirements and”; after line 12, insert:

“BY repealing and reenacting, without amendments,

Article - State Finance and Procurement

Section 11–101(a), (d), and (aa) and 15–113(a) and (d)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 15–113(e)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)”;

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and in line 20, after “2–206” insert “and 2–207”.

AMENDMENT NO. 2

On page 1, after line 24, insert:

“Article – State Finance and Procurement

11–101.

(a) In this Division II the following words have the meanings indicated unless:

(1) the context clearly requires a different meaning; or

(2) a different definition is provided for a particular title or provision.

(d) “Board” means the Board of Public Works.

(aa) (1) “Unit” means an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement contract.

(2) “Unit” does not include:

(i) a bistate, multistate, bicounty, or multicounty governmental agency; or

(ii) a special tax district, sanitary district, drainage district, soil conservation district, water supply district, or other political subdivision of the State.

15–113.

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(a) In this section, “liquidated damages” means damages in an amount designated by the parties to a contract that the injured party is eligible to collect as compensation for a specific breach of the contract.

(d) A unit shall obtain the approval of the head of the unit if the unit decides not to include in a contract a liquidated damages clause specified under § 13–218(a)(4) of this article.

(e) [(1) This subsection applies only to procurements valued at \$5,000,000 or more.

(2) If a unit decides not to pursue liquidated damages when a specified breach associated with a liquidated damages provision has occurred, the unit shall:

[(i) (1) obtain the approval of the decision by the head of the unit; [and]

[(ii) (2) maintain documentation on the reason the unit decided not to pursue liquidated damages; AND

(3) PROVIDE DOCUMENTATION TO THE BOARD AND THE JOINT AUDIT AND EVALUATION COMMITTEE ON THE REASON THAT THE UNIT INTENDS NOT TO PURSUE LIQUIDATED DAMAGES.”.

On page 2, in line 6, strike “INCLUDES” and substitute “MEANS”; strike beginning with “(1)” in line 7 down through “OFFICER” in line 9 and substitute:

“(1) THE HIGHEST RANKING EXECUTIVE WHO, FOR A PERIOD OF AT LEAST 6 MONTHS, IS RESPONSIBLE FOR DIRECTING ALL FINANCIAL OPERATIONS, INCLUDING:

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(I) BUDGETING;

(II) ACCOUNTING;

(III) PROCUREMENT;

(IV) GRANT MANAGEMENT;

(V) ESTABLISHING FISCAL POLICIES;

(VI) ENSURING COMPLIANCE WITH STATE AND FEDERAL REGULATIONS; AND

(VII) PROVIDING STRATEGIC FINANCIAL LEADERSHIP TO AGENCY LEADERSHIP; OR

(2) A POSITION WITH EQUIVALENT DUTIES”;

in line 10, strike “THIS” and substitute “**(1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THIS**”; in line 12, strike “(1)” and substitute “**(I)**”; in the same line, strike “\$2,000,000,000” and substitute “**\$1,750,000,000**”; in line 14, strike “(2)” and substitute “**(II)**”; after line 14, insert:

“(2) THIS SECTION DOES NOT APPLY TO THE UNIVERSITY SYSTEM OF MARYLAND.”;

strike beginning with “AT” in line 15 down through “OFFICERS” in line 18 and substitute “**THE SECRETARY MAY SET THE PAY SCALE FOR CHIEF FINANCIAL OFFICER POSITIONS IN ORDER TO ASSIST WITH RECRUITMENT AND RETENTION**”; and in line 20, strike “REQUIREMENTS” and substitute “**QUALIFICATIONS**”.

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On pages 2 and 3, strike in their entirety the lines beginning with line 22 on page 2 through line 33 on page 3, inclusive, and substitute:

“(E) (1) THE SECRETARY SHALL ESTABLISH MINIMUM QUALIFICATIONS FOR CHIEF FINANCIAL OFFICER POSITIONS THAT CONSIDER:

(I) EDUCATION;

(II) EXECUTIVE EXPERIENCE AND THE DURATION OF THAT EXPERIENCE;

(III) SUPERVISORY OR MANAGERIAL EXPERIENCE;

(IV) TECHNICAL COMPETENCE;

(V) CERTIFICATIONS;

(VI) SCOPE AND COMPLEXITY OF THE ROLE; AND

(VII) ALIGNMENT WITH THE GOVERNMENT OR INDUSTRY STANDARDS.

(2) ON OR BEFORE NOVEMBER 1, 2026, THE DEPARTMENT SHALL ADOPT REGULATIONS TO ESTABLISH MINIMUM QUALIFICATIONS FOR CHIEF FINANCIAL OFFICER POSITIONS.

(F) FOR PREPARATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT REQUIRED UNDER § 2-102 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, A CHIEF FINANCIAL OFFICER OF A UNIT OF STATE GOVERNMENT

(Over)

SUBJECT TO THIS SECTION SHALL PROVIDE TO THE OFFICE OF THE
COMPTROLLER AT THE CLOSE OF THE FISCAL YEAR:

(1) ALL NECESSARY ENTRIES OF THE UNIT'S FINANCIAL
INFORMATION;

(2) THE INFORMATION NECESSARY TO PREPARE THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH APPLICABLE
FEDERAL LAWS AND REGULATIONS; AND

(3) A LETTER ATTESTING TO THE ACCURACY AND COMPLETENESS
OF THE INFORMATION PROVIDED IN ITEMS (1) AND (2) OF THIS SUBSECTION.

2-207.

(A) IN THIS SECTION, "CHIEF INFORMATION OFFICER" MEANS:

(1) AN INDIVIDUAL ACTING AS THE SENIOR EXECUTIVE OFFICER
RESPONSIBLE FOR THE STRATEGIC PLANNING, MANAGEMENT, AND OVERSIGHT
OF AN AGENCY'S INFORMATION TECHNOLOGY AND COMPUTER SYSTEMS AND
SUPPORTING ITS MISSION AND GOALS, INCLUDING THROUGH:

(I) PROCUREMENT;

(II) COMPLIANCE WITH STATE AND FEDERAL REGULATIONS;

AND

(III) PROVIDING INFORMATION TECHNOLOGY LEADERSHIP
TO AGENCY LEADERSHIP; OR

(2) A POSITION WITH EQUIVALENT DUTIES.

(B) (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION APPLIES TO A UNIT OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT THAT EMPLOYS A CHIEF INFORMATION OFFICER.

(2) THIS SECTION DOES NOT APPLY TO THE UNIVERSITY SYSTEM OF MARYLAND.

(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SECRETARY MAY SET THE PAY SCALE FOR CHIEF INFORMATION OFFICER POSITIONS IN ORDER TO ASSIST WITH RECRUITMENT AND RETENTION.”.