

HOUSE BILL 1177

P2

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CF 6lr2726

By: **Delegates Stinnett, Kaufman, Simmons, Wims, and Woods**

Introduced and read first time: February 11, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Small Business Reserve Program – Veteran–Owned Small Business**
3 **Enterprises – Outreach**

4 FOR the purpose of requiring the State certification agency, in consultation with the Office
5 of Small, Minority, and Women Business Affairs, the Military Department, and the
6 Department of Veterans and Military Families to develop an outreach program to
7 increase the participation in the small business reserve program by veteran–owned
8 small business enterprises; and generally relating to participation in the small
9 business reserve program.

10 BY repealing and reenacting, without amendments,
11 Article – State Finance and Procurement
12 Section 14–501(d)(2) and (3) and 14–601
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2025 Supplement)

15 BY adding to
16 Article – State Finance and Procurement
17 Section 14–504.2
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2025 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – State Finance and Procurement**

23 14–501.

24 (d) “Small business” means:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) a veteran–owned small business enterprise, as defined in § 14–601 of
2 this title, that meets the criteria specified under item (3) of this subsection; or

3 (3) a business, other than a broker, that meets the following criteria:

4 (i) the business is independently owned and operated;

5 (ii) the business is not a subsidiary of another business;

6 (iii) the business is not dominant in its field of operation; and

7 (iv) 1. A. the wholesale operations of the business did not
8 employ more than 50 persons in its most recently completed 3 fiscal years;

9 B. the retail operations of the business did not employ more
10 than 25 persons in its most recently completed 3 fiscal years;

11 C. the manufacturing operations of the business did not
12 employ more than 100 persons in its most recently completed 3 fiscal years;

13 D. the service operations of the business did not employ more
14 than 100 persons in its most recently completed 3 fiscal years;

15 E. the construction operations of the business did not employ
16 more than 50 persons in its most recently completed 3 fiscal years; and

17 F. the architectural and engineering services of the business
18 did not employ more than 100 persons in its most recently completed 3 fiscal years; or

19 2. A. the gross sales of the wholesale operations of the
20 business did not exceed an average of \$4,000,000 in its most recently completed 3 fiscal
21 years;

22 B. the gross sales of the retail operations of the business did
23 not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years;

24 C. the gross sales of the manufacturing operations of the
25 business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal
26 years;

27 D. the gross sales of the service operations of the business did
28 not exceed an average of \$10,000,000 in its most recently completed 3 fiscal years;

29 E. the gross sales of the construction operations of the
30 business did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal
31 years; and

1 F. the gross sales of the architectural and engineering
2 services of the business did not exceed an average of \$4,500,000 in its most recently
3 completed 3 fiscal years.

4 **14-504.2.**

5 (A) (1) THE CERTIFICATION AGENCY, IN CONSULTATION WITH THE
6 OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, THE MILITARY
7 DEPARTMENT, AND THE DEPARTMENT OF VETERANS AND MILITARY FAMILIES,
8 SHALL DEVELOP AN OUTREACH PROGRAM TO INCREASE THE PARTICIPATION IN THE
9 SMALL BUSINESS RESERVE PROGRAM BY SMALL BUSINESSES THAT ARE
10 VETERAN-OWNED SMALL BUSINESS ENTERPRISES.

11 (2) THE OUTREACH PROGRAM SHALL INCLUDE OUTREACH TO UNITS
12 OF GOVERNMENT IDENTIFIED UNDER § 11-203 OF THIS ARTICLE AS EXEMPT FROM
13 THIS DIVISION TO ENCOURAGE THE USE OF VETERAN-OWNED SMALL BUSINESS
14 ENTERPRISES.

15 (B) ON OR BEFORE DECEMBER 1 EACH YEAR, THE CERTIFICATION AGENCY
16 SHALL SUBMIT TO THE BOARD OF PUBLIC WORKS AND, SUBJECT TO § 2-1257 OF
17 THE STATE GOVERNMENT ARTICLE, THE LEGISLATIVE POLICY COMMITTEE A
18 REPORT ON:

19 (1) THE STATUS OF THE OUTREACH PROGRAM REQUIRED UNDER
20 SUBSECTION (A) OF THIS SECTION; AND

21 (2) THE TOTAL NUMBER AND DOLLAR VALUE OF AWARDS MADE TO
22 SMALL BUSINESSES THAT ARE VETERAN-OWNED SMALL BUSINESS ENTERPRISES
23 UNDER DESIGNATED SMALL BUSINESS RESERVE CONTRACTS.

24 14-601.

25 (a) In this subtitle the following words have the meanings indicated.

26 (b) "Veteran" means an individual who is verified to be a veteran, as defined in §
27 9-901 of the State Government Article.

28 (c) "Veteran-owned small business enterprise" means a for-profit business that:

29 (1) meets the size standards adopted by the United States Small Business
30 Administration in 13 C.F.R. 121.201 and any subsequent revision of that regulation; and

31 (2) is at least 51% owned by one or more individuals who:

32 (i) are veterans; and

1 (ii) control the management and daily operations of the business.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 2026.