

HOUSE BILL 1462

P1, O3

6lr3616
CF 6lr3302

By: **Delegate Kerr**

Introduced and read first time: February 13, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Social and Economic Mobility – Individuals With Disabilities**

3 FOR the purpose of renaming the Office of Small, Minority, and Women Business Affairs
4 to be the Office of Small, Minority, Disability, and Women Business Affairs;
5 renaming the Special Secretary of Small, Minority, and Women Business Affairs to
6 be the Special Secretary of Small, Minority, Disability, and Women Business Affairs;
7 expanding the duties of the Special Secretary to include matters concerning
8 individuals with disabilities; altering the purpose of the Department of Social and
9 Economic Mobility Special Fund; and generally relating to individuals with
10 disabilities and the Department of Social and Economic Mobility.

11 BY repealing and reenacting, with amendments,
12 Article – State Finance and Procurement
13 Section 14–106 and 14–108
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2025 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – State Government
18 Section 9–4101
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2025 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – State Government
23 Section 9–4102, 9–4103, 9–4107, 9–4111 through 9–4114, 9–4117, and 9–4120
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) ensure that supplies and services provided by Blind Industries and
2 Services of Maryland or an Employment Works Program community service provider create
3 work opportunities for individuals who have a mental or physical disability, including
4 blindness, for which Blind Industries and Services of Maryland or the Employment Works
5 Program community service provider was established to assist;

6 (2) set the prices of supplies and services that Blind Industries and
7 Services of Maryland provides to reflect the fair market prices for the supplies and services;

8 (3) review and verify the prevailing average market prices, as proposed by
9 Maryland Correctional Enterprises:

10 (i) when changes are made to the pricing of existing supplies and
11 services that are available from Maryland Correctional Enterprises; and

12 (ii) for new supplies or services that Maryland Correctional
13 Enterprises intends to make available;

14 (4) establish procedures to govern procurement of supplies, services, and
15 other sales from Employment Works Program community service providers and individual
16 with disability owned businesses;

17 (5) from the State procurement list, choose appropriate supplies, services,
18 and other sales for Employment Works Program community service providers and
19 individual with disability owned businesses to offer for procurement;

20 (6) provide that the State procure those supplies, services, and other sales
21 from an Employment Works Program community service provider or an individual with
22 disability owned business;

23 (7) if supplies, services, or other sales are not available for procurement
24 from a unit of the State government, determine whether supplies, services, or other sales
25 are available from an Employment Works Program community service provider or an
26 individual with disability owned business;

27 (8) determine the fair market price of supplies, services, and other sales
28 that Employment Works Program community service providers and individual with
29 disability owned businesses provide;

30 (9) in accordance with market conditions, adjust prices for the supplies,
31 services, and other sales that Employment Works Program community service providers
32 and individual with disability owned businesses provide;

33 (10) at the request of a community service provider or an individual with
34 disability owned business, review and, if appropriate, change the price of a supply or
35 service; and

1 (11) review a request submitted from and may grant a waiver to the State
2 or a State–aided or controlled entity in accordance with § 14–103(d)(1) of this subtitle.

3 (g) In addition to the duties specified under subsection (f) of this section, the
4 Committee shall:

5 (1) establish and periodically review eligibility policies or guidelines for
6 participating community service providers and individual with disability owned
7 businesses;

8 (2) maintain a current list of community service providers and individual
9 with disability owned businesses;

10 (3) periodically review and revise its list of community service providers
11 and individual with disability owned businesses; and

12 (4) send any revised list to the Chief Procurement Officer who shall make
13 the list available to each person responsible for buying supplies or services for the State or
14 a State aided or controlled entity.

15 14–108.

16 (a) In this section, “Program” means the Employment Works Program.

17 (b) There is an Employment Works Program in the Governor’s Office of Small,
18 Minority, **DISABILITY**, and Women Business Affairs.

19 (c) The Special Secretary for the Office of Small, Minority, **DISABILITY**, and
20 Women Business Affairs shall designate Maryland Works, Inc., or another appropriate
21 coordinating entity, to facilitate the distribution of procurement contracts for supplies and
22 services among community service providers and individual with disability owned
23 businesses.

24 (d) The coordinating entity designated under subsection (c) of this section shall:

25 (1) identify potential contracts for supplies and services eligible for
26 procurement;

27 (2) establish procedures for the selection of community service providers to
28 perform under potentially eligible contracts for preference procurement;

29 (3) establish procedures for remediation of noncompliance with State or
30 Program policies;

31 (4) provide training and technical assistance to participating community
32 service providers;

1 (5) conduct cost analyses and market research for submission and review
2 by the Pricing and Selection Committee for the Program;

3 (6) provide staff support for the Pricing and Selection Committee for the
4 Program; and

5 (7) serve as a monitoring agent to ensure that high quality standards are
6 met and maintained by the Program and its participating community service providers.

7 Article – State Government

8 9–4101.

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

10 (b) “Department” means the Department of Social and Economic Mobility.

11 (c) “Secretary” means the Secretary of Social and Economic Mobility.

12 (d) “Unit of State government” or “unit” means an agency or unit of the Executive
13 Branch of State government.

14 9–4102.

15 (a) There is a Department of Social and Economic Mobility, established as a
16 principal department of the State government.

17 (b) (1) The head of the Department is the Secretary of Social and Economic
18 Mobility, who shall be appointed by the Governor with the advice and consent of the Senate.

19 (2) The Secretary serves at the pleasure of the Governor.

20 (c) The following units are in the Department:

21 (1) the Office of Minority Business Enterprises;

22 (2) the Office of Small, Minority, **DISABILITY**, and Women Business
23 Affairs; and

24 (3) the Office of Social Equity.

25 (d) The Department shall employ staff to carry out its duties as provided in the
26 State budget.

27 9–4103.

1 (a) The purpose of the Department is to:

2 (1) provide support for units of State government, individuals, and
3 businesses for the maintenance of social equity policies in the State;

4 (2) monitor trends in social equity programs and policies across the nation;

5 (3) propose new and innovative approaches to social equity programs;

6 (4) compile and produce reports and recommendations related to social
7 equity;

8 (5) ensure the fulfillment of the roles and responsibilities of the entities
9 and social equity programs in the State for which it is the successor;

10 (6) track the performance of social equity programs and small or
11 disadvantaged business assistance programs;

12 (7) promote and encourage full participation in the regulated cannabis
13 industry by individuals from communities that have previously been disproportionately
14 impacted by the war on drugs in order to positively impact those communities and other
15 duties assigned to the Office of Social Equity established under this subtitle;

16 (8) support small or disadvantaged businesses in the State through all
17 duties assigned to the Governor's Office of Small, Minority, **DISABILITY**, and Women
18 Business Affairs; and

19 (9) carry out the duties of the Office of Minority Business Enterprises
20 within the Maryland Department of Transportation, including duties assigned to support
21 small or disadvantaged businesses.

22 (b) The Department shall:

23 (1) connect a person with programs in State, federal, and local government
24 that serve designated populations to ensure the person is connected to programs and other
25 opportunities the person is eligible for;

26 (2) provide units of State government with assistance related to the
27 purpose of the Department by:

28 (i) facilitating information sharing between units;

29 (ii) maintaining an inventory of social equity work performed by
30 each unit and relevant reports from those units;

31 (iii) conducting policy analyses on social equity and the effectiveness
32 of social equity programs;

1 (iv) adopting standards for units to promote social equity; and

2 (v) providing technical assistance to units; and

3 (3) adopt regulations to carry out this subtitle.

4 9–4107.

5 (a) In this section, “Fund” means the Department of Social and Economic Mobility
6 Special Fund.

7 (b) There is a Department of Social and Economic Mobility Special Fund.

8 (c) The purpose of the Fund is to pay the costs of the operation of:

9 (1) the Office of Social Equity; [and]

10 (2) the Office of Minority Business Enterprises; AND

11 **(3) THE OFFICE OF SMALL, MINORITY, DISABILITY, AND WOMEN**
12 **BUSINESS AFFAIRS.**

13 (d) The Department shall administer the Fund.

14 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
15 the State Finance and Procurement Article.

16 (2) The State Treasurer shall hold the Fund separately, and the
17 Comptroller shall account for the Fund.

18 (f) (1) The Fund consists of:

19 (i) revenue distributed to the Fund under § 2–1302.2 of the Tax –
20 General Article;

21 (ii) money appropriated in the State budget to the Fund;

22 (iii) interest earnings of the Fund; and

23 (iv) any other money from any other source accepted for the benefit
24 of the Fund.

25 (2) The Governor shall include in the annual budget bill an appropriation
26 from the Transportation Trust Fund to the Fund equal to the amount necessary to defray
27 the operations and administrative expenses of the Office of Minority Business Enterprises.

1 (g) The Fund may be used only for paying the costs of the operation and
2 administrative expenses of:

3 (1) the Office of Social Equity; [and]

4 (2) the Office of Minority Business Enterprises; AND

5 (3) **THE OFFICE OF SMALL, MINORITY, DISABILITY, AND WOMEN**
6 **BUSINESS AFFAIRS.**

7 (h) (1) The State Treasurer shall invest the money of the Fund in the same
8 manner as other State money may be invested.

9 (2) Any interest earnings of the Fund shall be credited to the Fund.

10 (i) Expenditures from the Fund may be made only in accordance with the State
11 budget.

12 (j) Money expended from the Fund for the Office of Social Equity or the Office of
13 Minority Business Enterprises is supplemental to and is not intended to take the place of
14 funding that otherwise would be appropriated for the Office of Social Equity [or], the Office
15 of Minority Business Enterprises, **OR THE OFFICE OF SMALL, MINORITY, DISABILITY,**
16 **AND WOMEN BUSINESS AFFAIRS.**

17 9-4111.

18 (a) In this part the following words have the meanings indicated.

19 (b) "Governor's Subcabinet" means the Governor's Subcabinet on Socioeconomic
20 Procurement Participation.

21 (c) (1) "Minority person" means:

22 (i) an individual who has been deprived of the opportunity to
23 develop and keep a competitive position in the economy because of a social or economic
24 disadvantage that arises from cultural, racial, or other similar causes; or

25 (ii) a sheltered workshop for individuals with disabilities.

26 (2) "Minority person" includes:

27 (i) an Aleut;

28 (ii) an American Indian;

29 (iii) a Black;

1 (iv) an Eskimo;

2 (v) a Hispanic;

3 (vi) an Oriental;

4 (vii) a Puerto Rican; or

5 (viii) a woman.

6 (d) "Office" means the Office of Small, Minority, **DISABILITY**, and Women
7 Business Affairs.

8 (e) "Special Secretary" means the Special Secretary for the Office of Small,
9 Minority, **DISABILITY**, and Women Business Affairs.

10 9-4112.

11 There is an Office of Small, Minority, **DISABILITY**, and Women Business Affairs in
12 the Department.

13 9-4113.

14 (a) The head of the Office of Small, Minority, **DISABILITY**, and Women Business
15 Affairs is the Special Secretary, who shall be appointed by and serves at the pleasure of the
16 Governor.

17 (b) The Special Secretary shall receive the salary provided in the State budget.

18 9-4114.

19 (a) There is a Governor's Subcabinet on Socioeconomic Procurement
20 Participation.

21 (b) The Governor's Subcabinet is composed of:

22 (1) the Special Secretary of the Governor's Office of Small, Minority,
23 **DISABILITY**, and Women Business Affairs, who shall serve as chair of the Subcabinet;

24 (2) the Secretary of Budget and Management, or the Secretary's designee;

25 (3) the Secretary of Commerce, or the Secretary's designee;

26 (4) the Secretary of General Services, or the Secretary's designee;

27 (5) the Secretary of Health, or the Secretary's designee;

1 (6) the Secretary of Housing and Community Development, or the
2 Secretary's designee;

3 (7) the Secretary of Human Services, or the Secretary's designee;

4 (8) the Secretary of Information Technology, or the Secretary's designee;

5 (9) the Secretary of Public Safety and Correctional Services, or the
6 Secretary's designee;

7 (10) the Secretary of Transportation, or the Secretary's designee;

8 (11) the Secretary of Veterans and Military Families, or the Secretary's
9 designee;

10 (12) the Chief Procurement Officer for the State, or the Chief Procurement
11 Officer's designee;

12 (13) the Minority Business Enterprise Ombudsman, or the Ombudsman's
13 designee; and

14 (14) any other head of a department or agency that is accountable to the
15 Governor, as deemed necessary by the Governor.

16 (c) The Governor's Subcabinet shall:

17 (1) meet:

18 (i) a minimum of once each quarter; and

19 (ii) at a frequency deemed appropriate by the chair;

20 (2) study socioeconomic procurement programs in other states to identify
21 successes and best practices;

22 (3) develop accountability measures for procurement forecasts, strategic
23 plans, Procurement Review Group processes, and liaison officer accountability;

24 (4) work with the Office of State Procurement to implement process
25 improvements that directly impact socioeconomic procurement businesses' ability to fairly
26 compete for and understand State contracting opportunities;

27 (5) identify and recommend statutory and regulatory reforms to
28 strengthen and improve the State's socioeconomic procurement programs; and

1 (6) recommend actions to make improvements to the Small Business
2 Reserve Program, the Minority Business Enterprise Program, and the Veteran Small
3 Business Enterprise Program.

4 (d) On or before December 31, 2025, and each December 1 thereafter, the
5 Governor's Subcabinet shall report to the Governor on the Governor's Subcabinet's
6 activities, progress, and recommendations.

7 9-4117.

8 Subject to the limitations of any law that governs the activities of other units of the
9 Executive Branch of the State government, the Special Secretary shall:

10 (1) advise the Governor on:

11 (i) the activities of the State government that are intended to
12 promote:

13 1. the employment of minority persons in the State; and

14 2. State contracting opportunities available to and the
15 accessibility of those contracting opportunities to companies owned by minority persons,
16 small businesses, and veteran-owned small businesses; and

17 (ii) each other matter that affects the rights and interests of minority
18 persons, **INDIVIDUALS WITH DISABILITIES**, small businesses, and veteran-owned small
19 businesses and the communities in which they live, work, and provide employment
20 opportunities to others; and

21 (2) as authorized by the Governor:

22 (i) provide help to minority persons, **INDIVIDUALS WITH**
23 **DISABILITIES**, small businesses, and veteran-owned small businesses and the
24 communities in which they live, work, and employ others;

25 (ii) represent the Governor in any matter that relates to minority
26 persons, **INDIVIDUALS WITH DISABILITIES**, small businesses, and veteran-owned small
27 businesses or generally to the promotion of equality among the people of the State; and

28 (iii) perform any other responsibility that the Governor assigns.

29 9-4120.

30 (a) On or before the 15th day of each regular session of the General Assembly, the
31 Special Secretary shall send an annual report on the Office of Small, Minority,
32 **DISABILITY**, and Women Business Affairs:

1 (1) to the Governor; and

2 (2) subject to § 2–1257 of this article, to the General Assembly.

3 (b) The annual report may be prepared in conjunction with the report required
4 under § 14–305(b) of the State Finance and Procurement Article.

5 SECTION 2. AND BE IT FURTHER ENACTED, That, as provided in this Act:

6 (a) The Office of Small, Minority, Disability, and Women Business Affairs is the
7 successor of the Office of Small, Minority, and Women Business Affairs.

8 (b) In every law, executive order, rule, regulation, policy, or document created by
9 an official, an employee, or a unit of this State, the names and titles of those agencies and
10 officials mean the names and titles of the successor agency or official.

11 SECTION 3. AND BE IT FURTHER ENACTED, That nothing in this Act affects the
12 term of office of an appointed or elected member of any commission, office, department,
13 agency, or other unit. An individual who is a member of a unit on the effective date of this
14 Act shall remain for the balance of the term to which appointed or elected, unless the
15 member sooner dies, resigns, or is removed under provisions of law.

16 SECTION 4. AND BE IT FURTHER ENACTED, That any transaction or
17 employment status affected by or flowing from any change of nomenclature or any statute
18 amended by this Act and validly entered into or existing before the effective date of this Act
19 and every right, duty, or interest flowing from a statute amended by this Act remains valid
20 after the effective date of this Act and may be terminated, completed, consummated, or
21 enforced as required or allowed by any statute amended by this Act as though the
22 amendment had not occurred. If a change in nomenclature involves a change in name or
23 designation of any State unit, the successor unit shall be considered in all respects as
24 having the powers and obligations granted the former unit.

25 SECTION 5. AND BE IT FURTHER ENACTED, That:

26 (a) The continuity of every commission, office, department, agency, or other unit
27 is retained.

28 (b) The personnel, records, files, furniture, fixtures, and other properties and all
29 appropriations, credits, assets, liabilities, and obligations of each retained unit are
30 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,
31 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

32 SECTION 6. AND BE IT FURTHER ENACTED, That letterhead, business cards,
33 and other documents reflecting the renaming of the Office of Small, Minority, and Women
34 Business Affairs to be the Office of Small, Minority, Disability, and Women Business Affairs
35 may not be used until all letterhead, business cards, and other documents already in print
36 and reflecting the name of the Office before the effective date of this Act have been used.

1 SECTION 7. AND BE IT FURTHER ENACTED, That the publisher of the
2 Annotated Code of Maryland, in consultation with and subject to the approval of the
3 Department of Legislative Services, shall correct, with no further action required by the
4 General Assembly, cross-references and terminology rendered incorrect by this Act. The
5 publisher shall adequately describe any correction that is made in an editor's note following
6 the section affected.

7 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2026.