

Chapter 560

(House Bill 1230)

AN ACT concerning

Washington Suburban Sanitary Commission – Procurement – Alterations

PG/MC 102–26

FOR the purpose of repealing the name of the Washington Suburban Sanitary Commission Office of Supplier Diversity and Inclusion; ~~authorizing~~ requiring the Commission to name the Office; altering the purpose and duties of the Office; altering the local small business enterprise program to ~~include local or small businesses or certain other businesses~~ be the business participation program and limiting participation in the program to certain businesses; requiring the Commission to adopt certain additional eligibility criteria for participation in the program; authorizing the Commission to accept as a registered vendor any ~~person~~ business that is registered as a vendor with another jurisdiction or has self-certified as a vendor in a certain manner; authorizing the Commission to adopt certain regulations to promote workforce engagement and local economic benefits; and generally relating to procurement by the Washington Suburban Sanitary Commission.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 20–201, 20–203, and 20–301 through 20–304
Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

BY adding to
Article – Public Utilities
Section 20–401 to be under the new subtitle “Subtitle 4. ~~Vendor Registration~~
Workforce and Local Economic Benefits”
Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

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

Article – Public Utilities

20–201.

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

(b) “Minority business enterprise” has the meaning stated in § 14–301 of the State Finance and Procurement Article.

(c) “Office” means the Office [of Supplier Diversity and Inclusion] established under § 20–203 of this subtitle.

20–203.

(a) There is an Office [of Supplier Diversity and Inclusion in the Commission] **ESTABLISHED WITHIN THE COMMISSION THAT SHALL BE RESPONSIBLE FOR:**

~~(1) ADMINISTERING EACH OF THE BUSINESS PARTICIPATION AND VENDOR DEVELOPMENT PROGRAMS FOR COMMISSION CONTRACTS AND SUBCONTRACTS; AND~~

~~(2) MONITORING COMPLIANCE WITH PARTICIPATION REQUIREMENTS FOR THE PROGRAMS ESTABLISHED~~ **ADMINISTERING PROGRAMS ESTABLISHED UNDER THIS SUBTITLE AND SUBTITLE 3 OF THIS TITLE.**

(b) **THE COMMISSION SHALL ADOPT REGULATIONS ESTABLISHING THE NAME OF THE OFFICE.**

(C) The [head of the Office is the] **OFFICE SHALL BE HEADED BY A Director** [of Supplier Diversity and Inclusion].

~~(e) THE COMMISSION MAY PROVIDE A NAME FOR THE OFFICE ESTABLISHED UNDER THIS SECTION.~~

(D) The Office shall:

(1) administer each Commission program that is created to remedy discrimination against minority business enterprises and promote the participation of local ~~OR small business enterprises OR OTHER BUSINESS ENTERPRISES THAT SUPPORT THE ECONOMIC OUTCOMES OF~~ **SMALL BUSINESSES THAT DO BUSINESS WITH THE COMMISSION**, including:

(i) the minority business enterprise utilization program under § 20–204 of this subtitle; and

(ii) the [local small] business ~~enterprise~~ **PARTICIPATION** program **ESTABLISHED** under Subtitle 3 of this title;

(2) promote and coordinate the plans, programs, and operations of the Commission to remedy discrimination against minority business enterprises and the effects of discrimination;

(3) promote activities and the use of the resources of the Commission, local governments, and private entities to remedy discrimination against minority business enterprises and the effects of discrimination; ~~{and}~~

(4) ensure compliance with certified minority business enterprise subcontract participation goals under § 20–206 of this subtitle; ~~AND~~

~~(5) PROMOTE, ENCOURAGE, AND SUPPORT INCREASED BUSINESS PARTICIPATION AND ECONOMIC OUTCOMES IN COMMISSION CONTRACTS AND SUBCONTRACTS.~~

20–301.

~~In this subtitle, “program” means a local, small, OR OTHER business enterprise program.~~

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “DISABLED VETERAN–OWNED BUSINESS” MEANS A BUSINESS THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS CERTIFIED BY THE U.S. DEPARTMENT OF VETERANS AFFAIRS AS HAVING A SERVICE–CONNECTED DISABILITY REGARDLESS OF THE DISABILITY RATING.

(C) “LOCAL BUSINESS” MEANS A BUSINESS WITH:

(1) A PRINCIPAL PLACE OF BUSINESS IN MONTGOMERY COUNTY OR PRINCE GEORGE’S COUNTY; OR

(2) AT LEAST 25% OF THE EMPLOYEES OF THE BUSINESS DOMICILED IN MONTGOMERY COUNTY OR PRINCE GEORGE’S COUNTY.

(D) “LOCAL SMALL BUSINESS” MEANS A BUSINESS THAT QUALIFIES AS BOTH:

(1) A LOCAL BUSINESS; AND

(2) A SMALL BUSINESS.

(E) “MARYLAND–BASED BUSINESS” MEANS A BUSINESS THAT HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE.

(F) “PROGRAM” MEANS THE BUSINESS PARTICIPATION PROGRAM ESTABLISHED UNDER § 20–302 OF THIS SUBTITLE.

(G) “SMALL BUSINESS” MEANS A BUSINESS THAT MEETS CRITERIA ESTABLISHED BY REGULATIONS ADOPTED IN ACCORDANCE WITH § 14-203 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(H) “VETERAN-OWNED BUSINESS” MEANS A BUSINESS THAT IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS WHO ARE VETERANS AS DEFINED IN 38 U.S.C. § 101.

20-302.

(a) By resolution or adopting regulations, the Commission may establish a ~~local, small, OR OTHER business enterprise program~~ **BUSINESS PARTICIPATION PROGRAM IN ACCORDANCE WITH THIS SUBTITLE.**

(b) The Office [of Supplier Diversity and Inclusion,] established ~~under~~ **IN ACCORDANCE WITH § 20-203 of this title[.]** shall administer the program.

20-303.

The purpose of the program is to assist ~~[small] LOCAL businesses in Montgomery County and Prince George’s County, SMALL BUSINESSES, OR OTHER BUSINESSES THAT FURTHER THE COMMISSION’S CONTRACTING, SUBCONTRACTING, AND ECONOMIC OBJECTIVES~~ **BUSINESSES ELIGIBLE TO PARTICIPATE IN THE PROGRAM, WITH PREFERENCE BEING GIVEN TO LOCAL SMALL BUSINESSES AND LOCAL BUSINESSES,** by:

(1) establishing a sheltered market or other appropriate preference; or

(2) facilitating the award of Commission construction contracts or procurement contracts for goods and services to ~~[small];~~

~~(I) LOCAL businesses in Montgomery County and Prince George’s County;~~

~~(II) SMALL BUSINESSES; OR~~

~~(III) OTHER BUSINESSES THAT FURTHER THE COMMISSION’S CONTRACTING, SUBCONTRACTING, AND ECONOMIC OBJECTIVES~~ **ELIGIBLE BUSINESSES.**

20-304.

(a) ~~The Commission shall adopt:~~

~~(1) Eligibility criteria for businesses to qualify for the program, including:~~

~~(i) the criteria for a small business qualifying under the Small Business Preference Program as established in regulations adopted by the Department of General Services under § 14-203 of the State Finance and Procurement Article;~~

~~(ii) a requirement that:~~

~~1. the business's principal place of business be in Montgomery County or Prince George's County; or~~

~~2. at least 25% of the total number of employees of the business be domiciled in Montgomery County or Prince George's County; and~~

~~(iii) any other] eligibility criteria that the Commission determines to be necessary or appropriate for the promotion of [small] businesses in the Commission's service area, **SMALL BUSINESSES, OR OTHER BUSINESSES THAT FURTHER THE COMMISSION'S CONTRACTING, SUBCONTRACTING, AND ECONOMIC OBJECTIVES**~~
THE FOLLOWING BUSINESSES ARE ELIGIBLE TO PARTICIPATE IN THE PROGRAM:

(1) A LOCAL BUSINESS;

(2) A SMALL BUSINESS;

(3) A LOCAL SMALL BUSINESS;

(4) A MARYLAND-BASED BUSINESS;

(5) A DISABLED VETERAN-OWNED BUSINESS THAT IS:

(I) A LOCAL BUSINESS;

(II) A SMALL BUSINESS;

(III) A LOCAL SMALL BUSINESS; OR

(IV) A MARYLAND-BASED BUSINESS; AND

(6) A VETERAN-OWNED BUSINESS THAT IS:

(I) A LOCAL BUSINESS;

(II) A SMALL BUSINESS;

(III) A LOCAL SMALL BUSINESS; OR

(IV) A MARYLAND-BASED BUSINESS.

(B) THE COMMISSION SHALL ADOPT:

(1) ANY OTHER ELIGIBILITY CRITERIA THE COMMISSION DETERMINES TO BE NECESSARY OR APPROPRIATE FOR THE PROMOTION OF THE BUSINESSES SPECIFIED UNDER SUBSECTION (A) OF THIS SECTION; and

(2) administrative procedures for conducting the program.

~~(c)~~ **(C) A AN ELIGIBLE** business may qualify ~~as a local OR small business enterprise under~~ **TO PARTICIPATE IN** the program without regard to the race, ethnicity, or gender of the participants in the business.

~~(d)~~ **(D)** The Commission shall establish criteria for graduation from the program for ~~a~~ **AN ELIGIBLE** [local small] business that the Commission determines no longer requires the assistance or benefits offered by the program.

~~(e)~~ **(E)** The Commission shall review the eligibility criteria and administrative procedures of the program each year to assess their effectiveness in furthering the purposes of the program.

(F) THE COMMISSION MAY ACCEPT AS A REGISTERED VENDOR ELIGIBLE TO PARTICIPATE IN THE PROGRAM ANY BUSINESS THAT:

(1) IS A REGISTERED VENDOR THROUGH A VENDOR REGISTRATION PROCESS IN ANOTHER JURISDICTION; OR

(2) SELF-CERTIFIES AS A VENDOR IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION.

(G) NOTHING IN THIS SECTION MAY BE CONSTRUED TO REQUIRE A SOLICITATION ISSUED BY THE COMMISSION TO INCLUDE EVERY CATEGORY OF ELIGIBLE BUSINESS.

~~**SUBTITLE 4. VENDOR REGISTRATION.**~~

~~**20-401.**~~

~~**(A) THE COMMISSION MAY ACCEPT AS A REGISTERED VENDOR FOR THE COMMISSION ANY PERSON THAT:**~~

~~(1) IS REGISTERED AS A VENDOR THROUGH A VENDOR REGISTRATION PROCESS IN ANOTHER JURISDICTION; OR~~

~~(2) SELF CERTIFIES AS A VENDOR IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION.~~

~~(B) THE COMMISSION MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

SUBTITLE 4. WORKFORCE AND LOCAL ECONOMIC BENEFITS.

20-401.

THE COMMISSION MAY ADOPT REGULATIONS TO PROMOTE IN THE COMMISSION'S CONTRACTS WORKFORCE ENGAGEMENT AND LOCAL ECONOMIC BENEFITS WITHIN THE COMMISSION'S SERVICE DISTRICT, INCLUDING ESTABLISHING DEFINITIONS AND STANDARDS FOR CONTRACTOR GOOD FAITH EFFORTS REGARDING:

(1) LOCAL HIRING AND RECRUITMENT;

(2) SKILLS TRAINING, PRE-APPRENTICESHIP, AND APPRENTICESHIP PARTICIPATION OR SUPPORT; AND

(3) DATA REPORTING ON WORKFORCE RESIDENCY OR LOCAL ECONOMIC ACTIVITY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be interpreted to amend, expand, limit, or otherwise affect the Minority Business Enterprise Program of the Washington Suburban Sanitary Commission.

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

Approved by the Governor, May 12, 2026.