

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1462 (Delegate Kerr)
Government, Labor, and Elections

Department of Social and Economic Mobility – Individuals With Disabilities

This bill expands the scope of the Special Secretary of the Office of Small, Minority, and Women Business Affairs (OSBA) to include supporting individuals with disabilities. The bill also renames OSBA to be the Office of Small, Minority, Disability, and Women Business Affairs and makes conforming changes. The Office of Small, Minority, Disability, and Women Business Affairs is the successor in all regards to OSBA. Finally, the bill expands the purpose of the Department of Social and Economic Mobility (DoSEM) Special Fund to include paying costs for the operation of OSBA. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: As the bill is not expected to materially change OSBA’s purpose or responsibilities, it is not anticipated to affect governmental operations, as discussed below. Special fund revenues and expenditures likely increase commensurately, resulting in no net effect on State finances. Any administrative effects related to the name change for OSBA can be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law

Office of Small, Minority, and Women Business Affairs

OSBA is established in statute as an office within DoSEM and is led by a Special Secretary appointed by the Governor. Statute assigns numerous responsibilities to OSBA, among them:

- promoting activities and the use of resources of the State, local governments, and private entities for the growth of minority business enterprises (MBEs);
- providing training and educational opportunities for nonminority prime contractors regarding the duties and responsibilities of a prime contractor with respect to MBEs; and
- providing technical assistance and managerial assistance to MBEs.

In addition to overseeing the MBE program, GOSBA also oversees the Small Business Reserve Program, the Small Business Preference Program, the Employment Works Program, and the Veteran-Owned Small Business Enterprise program.

Department of Disabilities

The Maryland Department of Disabilities (MDOD) currently deals with most issues involving disabled individuals in the State. MDOD increases the capacity of Maryland communities to provide services in inclusive settings by creating a citizen-centered delivery system that allows individuals with disabilities to maintain agency over their lives. MDOD provides expertise and guidance to promote policies that incorporate accessible design into communities and technologies and comply with State and federal law. MDOD's programs, including Access Maryland, the Attendant Care Program, the Maryland Technology Assistance Program, the Constituent Services Program, the Office for Disability Employment Advancement and Policy, and the Telecommunications Access of Maryland Program, address the specific needs of individuals with disabilities.

Department of Social and Economic Mobility Special Fund

The DoSEM Special Fund supports operational costs for the Office of Social Equity (OSE) and the Office of Minority Business Enterprises (OMBE) within DoSEM. The Fund consists of revenue distributed from the sales and use tax for the sale of cannabis, money appropriated in the State budget, interest earnings of the Fund, and any other money from

any other source accepted for the benefit of the Fund. The Governor must include in the annual budget an appropriation from the Transportation Trust Fund to the DoSEM Special Fund equal to the amount necessary to defray the operations and administrative expenses of OMBE. Money expended from the DoSEM Special Fund for OSE or OMBE is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for OSE or OMBE.

State Fiscal Effect: DoSEM advises that the bill expands OSBA's purpose and responsibilities to broadly include matters affecting the rights and interests of individuals with disabilities and their communities, and that it requires five additional staff to handle these responsibilities. The Department of Legislative Services disagrees and considers the bill's changes to be reflective of OSBA's current duties rather than conferring new responsibilities on it. OSBA currently oversees the Employment Works program, which facilitates the distribution of procurement contracts among community service providers (which employ individuals with disabilities) and businesses owned by individuals with disabilities. Further, OSBA oversees the Small Business Preference Program, which includes a price preference for businesses owned by veterans with disabilities. It is assumed that OSBA can therefore carry out any responsibilities related to supporting and representing individuals with disabilities based on its current responsibilities and without requiring additional staff.

Current law requires the DoSEM Special Fund to cover costs for two of DoSEM's three offices (OSE and OMBE), with OSBA supported directly by general funds. The bill requires the fund to support OSBA's operation as well but does not provide a funding source. Therefore, it is assumed that the general fund appropriation made each year for OSBA is deposited into the special fund and then disbursed to OSBA to cover its costs, resulting in no net change to State finances.

Additional Information

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

Designated Cross File: SB 975 (Senator Corderman) - Rules.

Information Source(s): Department of Social and Economic Mobility; Department of Legislative Services

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