



Larry Hogan
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Secretary

February 1, 2022

The Honorable Shane E. Pendergrass
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401

Re: Letter of Information – House Bill 182 – State Procurement – Certification of LGBTQ Businesses

Dear Chair Pendergrass and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 182 but offers the following information for the Committee's consideration.

House Bill 182 provides for the certification of firms that are at least 51% owned and controlled by individuals who are lesbian, gay, bisexual, transgender, or queer (LGBTQ). House Bill 182 further requires that the State certification agency under § 14-303(b) of the State Finance and Procurement Article certify LGBTQ businesses, as well as compile and maintain a list of certified firms in the State for the purpose of identifying and encouraging outreach to LGBTQ businesses and tracking the use of certified LGBTQ businesses on State procurement contracts.

The MDOT is the State certification agency for the Minority Business Enterprise (MBE) Program and operates the unified certification program for the federal Disadvantaged Business Enterprise (DBE) Program. Although the MDOT implements certification processes to ensure that both goal-based Programs are narrowly tailored, these processes are not necessarily pertinent to or suitable for the outreach and tracking program contemplated for LGBTQ businesses under House Bill 182. A more streamlined, self-registration process, such as the process used by the Governor's Office of Small, Minority, Women-owned Business Affairs (GOSBA) to implement Maryland's Small Business Reserve (SBR) Program and the Veteran Small Business Enterprise (VSBE) Program, may be better suited to achieve the goals of this legislation. For the SBR and VSBE Programs, businesses self-certify as a vendor on the State's e-Procurement platform, eMaryland Marketplace Advantage (eMMA). Such procurement-related, self-registration processes have not historically been delegated to the MDOT.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 182.

Respectfully submitted,

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Maryland Department of Transportation
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