

HOUSE BILL 1220

C8

4lr2876

By: **Delegate B. Robinson**

Introduced and read first time: February 7, 2014

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Real Estate Development Projects – Minority Business**
3 **Enterprise Participation**

4 FOR the purpose of requiring that certain real estate development projects include the
5 participation of minority business enterprises; requiring the Department of
6 Business and Economic Development to establish certain parameters for the
7 participation of minority business enterprises in certain real estate development
8 projects; providing that the project manager for certain real estate development
9 projects may count certain goods and services to satisfy certain requirements;
10 requiring a project manager to pay any money owed to certain persons within a
11 certain time period; requiring the Department, in consultation with the
12 Governor’s Office of Minority Affairs, to adopt certain regulations and issue an
13 annual report; providing a penalty if a project manager fails to comply with
14 certain requirements regarding the utilization of minority business enterprises
15 for certain projects; defining certain terms; and generally relating to real estate
16 development projects and minority business enterprises.

17 BY adding to

18 Article – Economic Development

19 Section 5–1401 through 5–1406 to be under the new subtitle “Subtitle 14. Real
20 Estate Development Projects – Minority Business Enterprise
21 Participation”

22 Annotated Code of Maryland

23 (2008 Volume and 2013 Supplement)

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

26 **Article – Economic Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBTITLE 14. REAL ESTATE DEVELOPMENT PROJECTS – MINORITY BUSINESS**
2 **ENTERPRISE PARTICIPATION.**

3 **5–1401.**

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

6 (B) “PROJECT” MEANS A REAL ESTATE DEVELOPMENT PROJECT THAT
7 INCLUDES:

8 (1) SUBSIDIES OR INVESTMENTS USING PUBLIC MONEY;

9 (2) PUBLIC LAND; OR

10 (3) SIGNIFICANT PUBLIC ENTITLEMENTS THAT ARE FUNDED BY
11 THE RESIDENTS OF THE PROJECT.

12 (C) “PROJECT MANAGER” MEANS THE OWNER OR DEVELOPER OF A
13 PROJECT.

14 **5–1402.**

15 (A) THE DEPARTMENT SHALL REQUIRE THAT A PROJECT MANAGER
16 INCLUDE MINORITY BUSINESS ENTERPRISES AS MEMBERS OR PARTNERS IN A
17 PROJECT.

18 (B) IN CONSULTATION WITH THE GOVERNOR’S OFFICE OF MINORITY
19 AFFAIRS, THE DEPARTMENT SHALL ESTABLISH THE PARAMETERS AND AMOUNT
20 OF THE MINORITY BUSINESS ENTERPRISE PARTICIPATION FOR A PROJECT.

21 **5–1403.**

22 (A) TO SATISFY THE REQUIREMENTS FOR MINORITY BUSINESS
23 ENTERPRISE PARTICIPATION UNDER THIS SUBTITLE, THE PROJECT MANAGER
24 MAY COUNT FUNDS EXPENDED DURING THE PREDEVELOPMENT,
25 DEVELOPMENT, AND CONSTRUCTION PHASES OF THE PROJECT FOR:

26 (1) EMPLOYEE HIRING; AND

27 (2) THE PROCUREMENT OF GOODS AND SERVICES, INCLUDING:

28 (I) PROJECT DESIGN SERVICES;

1 (II) PROFESSIONAL AND TECHNICAL SERVICES;

2 (III) CONSTRUCTION MANAGEMENT SERVICES;

3 (IV) TRADE SERVICES;

4 (V) DEVELOPMENT SERVICES;

5 (VI) RENOVATION SERVICES; AND

6 (VII) SUPPLIES.

7 (B) THE FUNDS EXPENDED BY THE PROJECT MANAGER UNDER
8 SUBSECTION (A) OF THIS SECTION SHALL EQUAL AT LEAST 40% OF THE BUDGET
9 FOR THE PROJECT.

10 5-1404.

11 A PROJECT MANAGER SHALL PAY FULLY ALL MONEY OWED TO A
12 MINORITY BUSINESS ENTERPRISE FOR GOODS OR SERVICES RENDERED UNDER
13 THIS SUBTITLE NO LATER THAN 30 DAYS AFTER THE RESPONSIBLE STATE OR
14 LOCAL GOVERNMENT ISSUES A CERTIFICATE OF OCCUPANCY FOR THE
15 PROJECT.

16 5-1405.

17 IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF MINORITY
18 AFFAIRS, THE DEPARTMENT SHALL:

19 (1) ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE;

20 (2) ESTABLISH PROCEDURES FOR TRACKING AND REPORTING
21 THE PARTICIPATION OF MINORITY BUSINESS ENTERPRISES IN ACCORDANCE
22 WITH THE REQUIREMENTS OF THIS SUBTITLE; AND

23 (3) ON OR BEFORE DECEMBER 1 OF EACH YEAR, REPORT TO THE
24 LEGISLATIVE POLICY COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE
25 STATE GOVERNMENT ARTICLE, ON:

26 (I) MINORITY BUSINESS ENTERPRISE PARTICIPATION IN
27 PROJECTS UNDER THIS SUBTITLE; AND

1 **(II) THE EFFECTIVENESS OF THIS SUBTITLE IN ADVANCING**
2 **MINORITY BUSINESS ENTERPRISE PARTICIPATION IN PROJECTS SUBJECT TO**
3 **THIS SUBTITLE.**

4 **5-1406.**

5 **(A) A PROJECT MANAGER SHALL AT ALL TIMES FULLY AND STRICTLY**
6 **COMPLY WITH THE REQUIREMENTS OF THIS SUBTITLE.**

7 **(B) (1) ON RECEIPT OF WRITTEN NOTICE FROM THE DEPARTMENT**
8 **OF A FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS SUBTITLE, A**
9 **PROJECT MANAGER PROMPTLY SHALL CURE THE DEFICIENCY.**

10 **(2) IF THE PROJECT MANAGER DOES NOT CURE THE DEFICIENCY**
11 **AS DIRECTED BY THE DEPARTMENT, THE DEPARTMENT SHALL INITIATE AN**
12 **ACTION TO WITHDRAW ANY PUBLIC SUBSIDY, INVESTMENT, LAND, OR**
13 **ENTITLEMENT FROM THE PROJECT.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2014.