

HOUSE BILL 861

P2

4lr2360

By: **Delegates Allen, Amprey, Bhandari, Cardin, Crosby, Edelson, Griffith, Jackson, D. Jones, Lehman, Patterson, Ruth, Szeliga, and White Holland**

Introduced and read first time: February 2, 2024

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement – Preferences – Veteran–Owned Small Business Enterprise**
3 **Program**

4 FOR the purpose of establishing the overall percentage goal of the total dollar value of
5 procurement contracts by a unit of State government to be made directly or indirectly
6 with veteran–owned small business enterprises; repealing a requirement that the
7 Office of Small, Minority, and Women Business Affairs adopt regulations to establish
8 a certain overall percentage goal; and generally relating to State procurement
9 preferences.

10 BY repealing and reenacting, without amendments,
11 Article – State Finance and Procurement
12 Section 14–601
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Finance and Procurement
17 Section 14–602
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2023 Supplement)

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

22 **Article – State Finance and Procurement**

23 14–601.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) “Veteran” means an individual who is verified as having served on active duty
2 in the armed forces of the United States, other than for training, and was discharged or
3 released under conditions other than dishonorable.

4 (c) “Veteran-owned small business enterprise” means a for-profit business that:

5 (1) meets the size standards adopted by the United States Small Business
6 Administration in 13 C.F.R. 121.201 and any subsequent revision of that regulation; and

7 (2) is at least 51% owned by one or more individuals who:

8 (i) are veterans; and

9 (ii) control the management and daily operations of the business.

10 14-602.

11 (a) [(1)] A unit shall structure procurement procedures, consistent with the
12 purposes of this subtitle, to try to achieve or exceed an overall percentage goal of **3% OF**
13 the unit’s total dollar value of procurement contracts to be made directly or indirectly with
14 veteran-owned small business enterprises.

15 [(2)] The Office of Small, Minority, and Women Business Affairs shall adopt
16 regulations that establish the overall percentage goal.]

17 (b) Solicitation documents shall state the expected percentage of veteran-owned
18 small business enterprise participation based, in part, on:

19 (1) the potential contracting opportunities available in the procurement
20 contract, including both prime contracting and subcontracting opportunities, as determined
21 through analysis of the scope of the work presented in the solicitation documents; and

22 (2) the availability of veteran-owned small business enterprises to respond
23 competitively to the potential contracting opportunities.

24 (c) The provisions of this subtitle do not apply to a unit’s procurement procedures
25 to the extent that any unit determines that those provisions are in conflict with an
26 applicable federal program.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2024.