

Chapter 709

(Senate Bill 1084)

AN ACT concerning

~~State Finance and Procurement – Veteran-Owned Small Business Enterprises –
Definitions~~

~~Task Force on Veteran-Owned Small Business Enterprise Participation in
Procurement~~

*State Finance and Procurement – Veteran-Owned Small Business Enterprises –
Definitions and Penalties*

FOR the purpose of ~~defining “small business” and “veteran” for the purposes of certain provisions of law relating to procurement from veteran-owned small business enterprises; altering the definition of “veteran-owned small business enterprise”; and generally relating to veteran-owned small business enterprises establishing the Task Force on Veteran-Owned Small Business Enterprise Participation in Procurement; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; establishing the duties of the Task Force; requiring the Task Force to report its findings and recommendations to the Governor and General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force on Veteran-Owned Small Business Enterprise Participation in Procurement~~ *defining “veteran” and altering the definition of “veteran-owned small business enterprise” for the purposes of certain provisions of law relating to the structure of a unit’s procurement procedures; authorizing certain penalties to be applied to a person that willfully misrepresents a business as a veteran-owned small business enterprise; providing for a delayed effective date; and generally relating to veteran-owned small business enterprises.*

~~BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14-601
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)~~

*BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 14-601
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)*

*BY adding to
Article – State Finance and Procurement
Section 14-606*

Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

~~**Article — State Finance and Procurement**~~

~~14-601.~~

~~(A) In this subtitle[, “veteran-owned”] THE FOLLOWING WORDS HAVE THE
MEANINGS INDICATED.~~

~~(B) “SMALL BUSINESS” HAS THE MEANING STATED IN § 14-501 OF THIS
TITLE.~~

~~(C) “VETERAN” MEANS AN INDIVIDUAL WHO SERVED ON ACTIVE DUTY IN
THE ARMED FORCES OF THE UNITED STATES, OTHER THAN FOR TRAINING, AND WAS
DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.~~

~~(D) “VETERAN-OWNED small business enterprise” means a SMALL business
that is [verified by the Center for Veterans Enterprise of the United States Department of
Veterans Affairs as a veteran-owned small business] AT LEAST 51% OWNED BY ONE OR
MORE INDIVIDUALS WHO ARE VETERANS.~~

~~(a) There is a Task Force on Veteran-Owned Small Business Enterprise
Participation in Procurement.~~

~~(b) The Task Force consists of the following members:~~

~~(1) one member of the Senate of Maryland, appointed by the President of
the Senate;~~

~~(2) one member of the House of Delegates, appointed by the Speaker of the
House;~~

~~(3) the Secretary of Veterans Affairs, or the Secretary’s designee;~~

~~(4) the Secretary of Commerce, or the Secretary’s designee;~~

~~(5) the Secretary of General Services, or the Secretary’s designee;~~

~~(6) the Secretary of Information Technology, or the Secretary’s designee;~~

~~(7) the Secretary of Budget and Management, or the Secretary’s designee;~~

~~(8) the Secretary of Transportation, or the Secretary's designee;~~

~~(9) the Chancellor of the University System of Maryland, or the Chancellor's designee;~~

~~(10) the Special Secretary of the Governor's Office of Minority Affairs, or the Special Secretary's designee;~~

~~(11) the Procurement Advisor to the Board of Public Works;~~

~~(12) one Maryland resident veteran owner of a veteran-owned small business enterprise, as defined in § 14-601 of the State Finance and Procurement Article, appointed by the Governor; and~~

~~(13) one Maryland resident veteran owner of a small business, as defined in § 14-501 of the State Finance and Procurement Article, that is not a veteran-owned small business enterprise, as defined in § 14-601 of the State Finance and Procurement Article, appointed by the Governor.~~

~~(c) The Governor shall designate the chair of the Task Force.~~

~~(d) The State agencies represented on the Task Force shall provide staff for the Task Force, as directed by the chair of the Task Force.~~

~~(e) A member of the Task Force:~~

~~(1) may not receive compensation as a member of the Task Force; but~~

~~(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.~~

~~(f) The Task Force shall:~~

~~(1) study methods to increase veteran-owned small business enterprise participation in State procurement and ensure compliance with the State's 1% purchasing goal;~~

~~(2) investigate and analyze barriers to veteran-owned small business enterprise participation that hinder compliance with the State's 1% purchasing goal, including the requirement in § 14-601 of the State Finance and Procurement Article for verification by the Center for Veterans Enterprise of the United States Department of Veterans Affairs;~~

~~(3) compare and contrast the current Veteran-Owned Small Business Enterprise Participation Program to similar programs in the federal government and other~~

~~state governments, focusing on ease of access by interested firms, and methods of verification, certification, and fraud protection;~~

~~(4) compare and contrast the current Veteran-Owned Small Business Enterprise Participation Program to similar programs in Maryland, such as the Small Business Reserve Program and the Minority Business Enterprise Participation Program, focusing on ease of access by interested firms, and methods of verification, certification, and fraud prevention; and~~

~~(5) make specific recommendations for legislative and regulatory changes to increase compliance with the State's 1% purchasing goal for veteran-owned small business enterprise participation in State procurement.~~

~~(g) On or before December 31, 2017, the Task Force shall report its findings and recommendations, including specific proposals for legislation or regulation, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017. June 1, 2017. It shall remain effective for a period of 1 year and, at the end of May 31, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

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

Article – State Finance and Procurement

14-601.

(A) In this subtitle[, “veteran-owned”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “VETERAN” MEANS AN INDIVIDUAL WHO SERVED ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES, OTHER THAN FOR TRAINING, AND WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.

(C) “VETERAN-OWNED small business enterprise” means a business that:

(1) MEETS THE SIZE STANDARDS ADOPTED BY THE UNITED STATES SMALL BUSINESS ADMINISTRATION IN 13 C.F.R. 121.201 AND ANY SUBSEQUENT REVISION OF THAT REGULATION; AND

(2) is [verified by the Center for Veterans Enterprise of the United States Department of Veterans Affairs as a veteran-owned small business] AT LEAST 51% OWNED BY ONE OR MORE INDIVIDUALS WHO:

(I) ARE VETERANS; AND

(II) CONTROL THE MANAGEMENT AND DAILY OPERATIONS OF THE BUSINESS.

14-606.

IN ADDITION TO THE PENALTIES UNDER § 14-605(B) OF THIS SUBTITLE, A PERSON THAT WILLFULLY MISREPRESENTS A BUSINESS AS A VETERAN-OWNED SMALL BUSINESS ENTERPRISE FOR PURPOSES OF OBTAINING OR RETAINING A CONTRACT OR SUBCONTRACT MAY BE SUBJECT TO:

(1) SUSPENSION OR DEBARMENT UNDER TITLE 16 OF THIS ARTICLE;
OR

(2) CIVIL PENALTIES UNDER THE MARYLAND FALSE CLAIMS ACT UNDER TITLE 8 OF THE GENERAL PROVISIONS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved by the Governor, May 25, 2017.