



State of Maryland - 2012 MBE Legislation

MBE PROGRAM REAUTHORIZATION

House Bill 1370 Procurement - Minority Business Participation (Effective July 1, 2012)

House Bill 1370 extends the MBE program until 2016 and adds several provisions to further strengthen the effectiveness of the program in an effort to provide equal access to opportunities and address longstanding and persistent disparities.

Key components of House Bill 1370 are:

- Continues to require an overall aspirational MBE goal, but moves the number from the statute to the Code of Maryland Regulations (COMAR) and authorizes GOMA, in consultation with MDOT and the Office of the Attorney General (OAG), to issue those regulations every two years.
- Requires that GOMA, in consultation with MDOT and the OAG, issue subgoal guidelines every two years. For any year in which there is a delay in establishing new subgoal guidelines, the previous year's guidelines will apply.
- Requires GOMA to consult with MBE program stakeholders in establishing overall goals and subgoal guidelines.
- Restates and emphasizes the State's existing prohibition against the bundling of contracts to inhibit MBE participation.
- Requires State agencies to monitor and collect data with respect to compliance by prime contractors and take corrective action in instances where primes do not make good faith efforts to comply with MBE contract goals.
- Authorizes GOMA, in consultation with MDOT and the OAG, to issue regulations establishing procedures governing how the work of MBE prime contractors might be counted toward contract goals.
- Prime contractors must provide a satisfactory reason for submitting an ineligible or unavailable MBE subcontractor before they will be permitted to substitute another MBE firm in their bid documents.
- Prohibits the replacement of an MBE after contract execution unless there is good cause and the change is approved by the head of the agency with the written consent of the MBE liaison. A copy of the written consent must also be forwarded to GOMA.
- Requires that the MBE participation documents completed by the bidder or offeror be made part of the executed contract with the State.
- Requires that every contract that includes MBE participation goals contain a liquidated damages provision in the event that the prime contractor does not comply in good faith with its MBE participation commitments.

To review Bills in their entirety, visit the Maryland General Assembly website and enter the bill number under Bill Information and Status at: <http://mlis.state.md.us/#bill>.

Senate / House Bill No.	TITLE & SUMMARY
HB 571	<p>Linked Deposit Program for Small Businesses - Lend Local Act of 2012 Establishes a Linked Deposit Program for Small Businesses in the Department of Housing and Community Development (DHCD) to support small businesses that qualify for the Small Business Reserve Program in gaining access to credit by assisting these businesses in obtaining loans at lower-than-market interest rates. (Effective July 1, 2012)</p>
HB 1369	<p>Office of Minority Affairs - Duties of Special Secretary - Minority Business Enterprises Expands the authority of the Special Secretary for the Governor's Office of Minority Affairs (GOMA) to include promoting and coordinating training regarding the requirements of the Minority Business Enterprise (MBE) program. It also requires the Special Secretary to participate in State plans, programs, and operations that affect the establishment, preservation, and strengthening of MBEs. (Effective July 1, 2012)</p>
SB 343 HB 277	<p>State Government - Brokerage and Investment Management Services - Use of Minority Business Enterprises - Application Requires the Department of Business and Economic (DBED), the Maryland Higher Education Commission (MHEC), the Department of Housing and Community Development (DHCD), the Maryland Teachers' and State Employees' Supplemental Retirement Plans (MSRP), and any other State unit designated by the Board of Public Works (BPW) that has responsibility for the management of funds to attempt to use minority business enterprises (MBEs) to the greatest extent feasible to provide brokerage and investment management services. (Effective October 1, 2012)</p>
SB 549 HB 456	<p>Small Business Reserve Program - Definition of Small Business – Revision Alters the definition of “small business” under the SBR Program to businesses that meet either the limitation on the number of employees employed by the business or the limitation on gross sales of the business. The bill terminates September 30, 2014 (Effective October 1, 2012)</p>
SB 779 HB 916	<p>State Retirement and Pension System - Study of Asset Management This bill requires the Governor's Office of Minority Affairs (GOMA) to conduct a study of the funds managed by the State Retirement and Pension System (SRPS) to determine (1) SRPS' capacity to select minority fund managers across all asset classes; and (2) methods that assure the recruitment and selection of minority companies for fund-to-fund management or direct management of assets. In making these determinations, the study must consider the State Retirement Agency's fiduciary responsibilities. (Effective July 1, 2012, and Terminates June 30, 2013)</p>

To review Bills in their entirety, visit the Maryland General Assembly website and enter the bill number under Bill Information and Status at: <http://mlis.state.md.us/#bill>.