

# HOUSE BILL 1152

C2, P2, C8

3lr2579

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By: **Delegates Chisholm, Fisher, Kipke, M. Morgan, and Szeliga**

Introduced and read first time: February 10, 2023

Assigned to: Ways and Means and Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Entrepreneurial Equity Act**

3 FOR the purpose of requiring the Secretary of Labor and certain professional licensing  
4 boards to waive certain license and registration fees imposed on certain persons  
5 establishing a new business under certain circumstances; requiring the State  
6 Department of Assessments and Taxation to waive certain recording and filing fees  
7 imposed on a person establishing a new business under certain circumstances;  
8 requiring the Department of Commerce to direct a certain percentage of funding  
9 budgeted for the State's economic development and financial assistance programs to  
10 be allocated to supporting certain organizations and programs; requiring the  
11 Division of Workforce Development and Adult Learning within the Maryland  
12 Department of Labor to direct a certain percentage of workforce development  
13 funding to be allocated to supporting certain organizations and programs; requiring  
14 the Office of State Procurement within the Department of General Services to direct  
15 a certain percentage of certain procurements designated for the small business  
16 reserve to certain businesses that have been in operation for a certain period of time;  
17 and generally relating to fee relief, economic development assistance, and  
18 procurement opportunities for new and recently established small businesses.

19 BY adding to

20 Article – Business Occupations and Professions

21 Section 1–209

22 Annotated Code of Maryland

23 (2018 Replacement Volume and 2022 Supplement)

24 BY adding to

25 Article – Business Regulation

26 Section 2–111

27 Annotated Code of Maryland

28 (2015 Replacement Volume and 2022 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Corporations and Associations  
3 Section 1–210  
4 Annotated Code of Maryland  
5 (2014 Replacement Volume and 2022 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – Economic Development  
8 Section 5–102  
9 Annotated Code of Maryland  
10 (2018 Replacement Volume and 2022 Supplement)

11 BY adding to  
12 Article – Labor and Employment  
13 Section 11–106  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2022 Supplement)

16 BY adding to  
17 Article – State Finance and Procurement  
18 Section 4–309  
19 Annotated Code of Maryland  
20 (2021 Replacement Volume and 2022 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – State Finance and Procurement  
23 Section 14–502.1  
24 Annotated Code of Maryland  
25 (2021 Replacement Volume and 2022 Supplement)

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

28 **Article – Business Occupations and Professions**

29 **1–209.**

30 **NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE**  
31 **SECRETARY AND EACH PROFESSIONAL LICENSING BOARD ESTABLISHED UNDER**  
32 **THIS ARTICLE SHALL WAIVE ANY LICENSE OR REGISTRATION FEE IMPOSED ON A**  
33 **PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME–BASED BUSINESS,**  
34 **WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.**

35 **Article – Business Regulation**

36 **2–111.**

1 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE  
2 SECRETARY AND EACH PROFESSIONAL LICENSING BOARD ESTABLISHED UNDER  
3 THIS ARTICLE SHALL WAIVE ANY LICENSE OR REGISTRATION FEE IMPOSED ON A  
4 PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME-BASED BUSINESS,  
5 WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.

6 **Article – Corporations and Associations**

7 **1-210.**

8 NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE  
9 DEPARTMENT SHALL WAIVE ANY RECORDING OR FILING FEE IMPOSED UNDER THIS  
10 TITLE ON A PERSON ESTABLISHING A NEW BUSINESS, INCLUDING A HOME-BASED  
11 BUSINESS, WHOSE PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THIS STATE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
13 as follows:

14 **Article – Economic Development**

15 **5-102.**

16 (A) The Department shall administer the State's economic development and  
17 financial assistance programs and funds including:

18 (1) the BRAC Revitalization and Incentive Zone Program, under Subtitle  
19 13 of this title;

20 (2) the Enterprise Fund, under Subtitle 6 of this title;

21 (3) the Enterprise Zones Program, under Subtitle 7 of this title;

22 (4) the Make Office Vacancies Extinct Program, under Subtitle 15 of this  
23 title;

24 (5) the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;

25 (6) the Maryland Economic Development Assistance Authority and Fund,  
26 under Subtitle 3 of this title;

27 (7) the Maryland Industrial Development Financing Authority, under  
28 Subtitle 4 of this title;

29 (8) the Maryland Small Business Development Financing Authority, under  
30 Subtitle 5 of this title;

1 (9) the Appalachian Regional Development Program, under Title 13,  
2 Subtitle 1 of this article;

3 (10) jointly with the Department of Housing and Community Development,  
4 the Community Development Block Grant for Economic Development;

5 (11) the Regional Institution Strategic Enterprise Zone Program under  
6 Subtitle 14 of this title; and

7 (12) any other programs or funds designated by statute, the Governor, or  
8 the Secretary.

9 **(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT**  
10 **SHALL DIRECT AT LEAST 10% OF THE FUNDING BUDGETED FOR THE STATE'S**  
11 **ECONOMIC DEVELOPMENT AND FINANCIAL ASSISTANCE PROGRAMS, INCLUDING**  
12 **COMMUNITY DEVELOPMENT BLOCK GRANTS, TO BE ALLOCATED TO SUPPORTING**  
13 **ORGANIZATIONS OR PROGRAMS THAT:**

14 **(1) ASSIST INDIVIDUALS STARTING NEW BUSINESSES; OR**

15 **(2) PROVIDE SERVICES TO BUSINESSES THAT HAVE BEEN IN**  
16 **OPERATION FOR LESS THAN 5 YEARS AND WHOSE PRINCIPAL PLACE OF BUSINESS IS**  
17 **LOCATED IN THE STATE.**

18 **Article – Labor and Employment**

19 **11-106.**

20 **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DIVISION SHALL**  
21 **DIRECT AT LEAST 10% OF WORKFORCE DEVELOPMENT FUNDING, INCLUDING**  
22 **FUNDING ALLOCATED BY WORKFORCE DEVELOPMENT BOARDS ACROSS THE STATE,**  
23 **TO BE ALLOCATED TO SUPPORTING ORGANIZATIONS OR PROGRAMS THAT:**

24 **(1) ASSIST INDIVIDUALS STARTING NEW BUSINESSES; OR**

25 **(2) PROVIDE SERVICES TO BUSINESSES THAT HAVE BEEN IN**  
26 **OPERATION FOR LESS THAN 5 YEARS AND WHOSE PRINCIPAL PLACE OF BUSINESS IS**  
27 **LOCATED IN THE STATE.**

28 **Article – State Finance and Procurement**

29 **4-309.**

1           **ON OR BEFORE JULY 1, 2025, AND ANNUALLY THEREAFTER, THE OFFICE OF**  
2 **STATE PROCUREMENT IN THE DEPARTMENT OF GENERAL SERVICES SHALL**  
3 **REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE**  
4 **STATE GOVERNMENT ARTICLE, ON:**

5           **(1) THE NUMBER AND TOTAL VALUE OF STATE CONTRACTS AWARDED**  
6 **DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN IN**  
7 **OPERATION FOR LESS THAN 5 YEARS, INCLUDING A BREAKDOWN BY DEMOGRAPHIC**  
8 **SEGMENTS AND GEOGRAPHICAL AREAS OF THE STATE;**

9           **(2) THE PERCENTAGE OF THE TOTAL NUMBER OF STATE CONTRACTS**  
10 **AWARDED DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN**  
11 **IN OPERATION FOR AT LEAST 5 YEARS COMPARED TO THE TOTAL NUMBER OF**  
12 **CONTRACTS AWARDED;**

13           **(3) THE PERCENTAGE OF THE TOTAL VALUE OF STATE CONTRACTS**  
14 **AWARDED DURING THE PRECEDING 12 MONTHS TO BUSINESSES THAT HAVE BEEN**  
15 **IN OPERATION FOR AT LEAST 5 YEARS COMPARED TO THE TOTAL NUMBER OF**  
16 **CONTRACTS AWARDED; AND**

17           **(4) RECOMMENDATIONS TO IMPROVE ACCESS TO STATE CONTRACTS**  
18 **FOR MARYLAND BUSINESSES THAT HAVE BEEN IN OPERATION FOR LESS THAN 5**  
19 **YEARS, INCLUDING BUSINESSES IN STATISTICALLY UNDERREPRESENTED**  
20 **DEMOGRAPHIC SEGMENTS AND GEOGRAPHIC AREAS OF THE STATE.**

21 14-502.1.

22           (a) (1) This section applies to a procurement by any unit or agency of the  
23 Executive Branch of State government for goods, supplies, services, maintenance,  
24 construction, construction-related services, architectural services, or engineering services.

25           (2) This section does not apply to:

26                   (i) procurements made under Subtitle 1 of this title;

27                   (ii) procurements involving expenditures of federal dollars, to the  
28 extent that inclusion in the small business reserve program conflicts with federal law or  
29 grant provisions;

30                   (iii) procurements with a total dollar value under \$50,000;

31                   (iv) the procurement of human, social, cultural, or educational  
32 services; or

1 (v) term and master contracts exempted under subsection (c) of this  
2 section.

3 (b) (1) (I) [A] **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**  
4 A procurement with a total dollar value between \$50,000 and \$500,000 shall be designated  
5 for the small business reserve.

6 (II) **THE OFFICE OF STATE PROCUREMENT IN THE**  
7 **DEPARTMENT OF GENERAL SERVICES SHALL DIRECT AT LEAST 10% OF ALL OPEN**  
8 **PROCUREMENTS DESIGNATED FOR THE SMALL BUSINESS RESERVE TO BUSINESSES**  
9 **THAT HAVE BEEN IN OPERATION FOR LESS THAN 5 YEARS AND WHOSE PRINCIPAL**  
10 **PLACE OF BUSINESS IS LOCATED IN THE STATE.**

11 (2) Each unit or agency shall implement this subsection in a manner  
12 consistent with all applicable statutes, including the requirements of Subtitle 3 of this title.

13 (c) (1) A procurement may be exempt from designation under subsection (b) of  
14 this section if the Governor's Office of Small, Minority, and Women Business Affairs  
15 certifies, concurrently with review of any waiver determinations for certified minority  
16 business enterprise participation contract goals, that it is not practicable to do so.

17 (2) The Office of State Procurement in the Department of General Services  
18 shall assist the Governor's Office of Small, Minority, and Women Business Affairs in  
19 establishing procedures and guidelines for the exemption of procurements under paragraph  
20 (1) of this subsection.

21 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
22 effect October 1, 2023.

23 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
24 3 of this Act, this Act shall take effect July 1, 2023.