

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1230

(Prince George's County Delegation and Montgomery
County Delegation)

Environment and Transportation

Education, Energy, and the Environment

Washington Suburban Sanitary Commission - Procurement - Alterations
PG/MC 102-26

This bill expands an existing local, small business preference program in the Washington Suburban Sanitary Commission (WSSC) to include additional categories of eligible businesses. WSSC may accept as a registered vendor in the program any person that is registered as a vendor through a vendor registration process in another jurisdiction or that self-certifies as a vendor in accordance with regulations that WSSC adopts. WSSC may also adopt regulations to promote workforce engagement and local economic benefits within its service district through WSSC contracts. Finally, the bill repeals the name of WSSC's Office of Supplier Diversity and Inclusion and requires WSSC to adopt regulations establishing a name for the office.

Fiscal Summary

State Effect: None. This bill affects only local government operations.

Local Effect: None. The bill's changes are procedural in nature and do not directly affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: "Local business" means a business with (1) a principal place of business in Montgomery or Prince George's County or (2) at least 25% of the employees of the business living in Montgomery of Prince George's County. "Local small business" means a business that qualifies as both a local business and a small business.

The bill expands WSSC's preference program for local, small business enterprises (and rebrands it as a business enterprise program) to include:

- local businesses;
- small businesses;
- local small businesses
- Maryland-based businesses;
- disabled veteran-owned businesses that are local businesses, small businesses, local small businesses, or Maryland-based businesses; and
- veteran-owned businesses that are local businesses, small businesses, local small businesses, or Maryland-based businesses.

WSSC must adopt any other eligibility criteria the commission determines to be necessary or appropriate for the promotion of these businesses. The provisions of the bill do not require a solicitation issued by WSSC to include every category of eligible business.

As a result, the bill repeals requirements for WSSC to adopt specific criteria requiring eligible businesses to (1) meet criteria defining a small business under State law and regulations and (2) either have their principal place of business be in Montgomery or Prince George's counties or have at least 25% of their employees residing in those counties.

WSSC's authority to adopt regulations includes establishing definitions and standards for contractor good faith efforts regarding (1) local hiring and recruitment; (2) skills training, pre-apprenticeship, and apprenticeship participation or support; and (3) data reporting on workforce residency or local economic activity.

The provisions of the bill cannot be interpreted to amend, expand, limit, or otherwise affect WSSC's Minority Business Enterprise Program.

Current Law: The Office of Supplier Diversity and Inclusion within WSSC is required to (1) administer WSSC programs created to remedy discrimination against minority business enterprises (MBEs) and promote participation by local small business enterprises; (2) promote and coordinate WSSC plans, programs, and operations to remedy discrimination against MBEs and its effects; (3) promote the use of WSSC, local government, and private entities to remedy discrimination against MBEs and its effects; and (4) ensure compliance with certified MBE subcontract participation goals. The head of the Office is the Director of Supplier Diversity and Inclusion.

WSSC may establish a local small business enterprise program by resolution or by adopting regulations, and the Office of Supplier Diversity and Inclusion must administer the program. The purpose of the program is to assist small businesses in Montgomery County and Prince George's County by establishing a sheltered market or other appropriate

preference or by facilitating the award of WSSC contracts or procurement contracts for goods and services to small businesses in the counties.

WSSC must adopt administrative procedures for conducting the program, as well as eligibility criteria for businesses to qualify for the program, including (1) a requirement for small businesses to meet the criteria for a “small business” as defined in State regulations; (2) a requirement that the business’s principal place of business be in Montgomery County of Prince George’s County or that at least 25% of employees of the business reside in either of the counties; and (3) any other eligibility criteria WSSC determines to be necessary or appropriate for the promotion of small businesses in WSSC’s service area.

A business may qualify as a local small business enterprise under the program without regard to the race, ethnicity, or gender of the participants in the business. WSSC must establish criteria for graduation from the program for a local small business that it determines no longer requires the assistance or benefits offered by the program. WSSC must review the eligibility criteria and administrative procedures of the program each year to assess their effectiveness in furthering the purpose of the program.

Small Business Effect: The changes made to the business participation and vendor development program allow WSSC to support additional small businesses, particularly veteran- and disabled veteran-owned businesses and businesses not located in Montgomery and Prince George’s counties, that are ineligible under the current program.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Montgomery and Prince George’s counties; Washington Suburban Sanitary Commission; Department of Legislative Services

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