2013 Maryland General Assembly
Legislative Recap

During the just completed 2013- ninety day General Assembly Session Md. Washington Minority Companies Association (MWMCA) was actively involved in historic legislation that will affect Minority Business Enterprise firms. We were able to accomplish getting numerous bills passed that will ensure that minority and women owned firms will continue to be able to take advantage of business opportunities. We wish to thank the following legislators for either introducing and sponsoring legislation or backing it. They are: Senator’s Catherine Pugh, Joan Carter-Conway, Nathaniel McFadden, Verna Jones-Rodwell, Delores Kelly, Delegate’s Barbara A. Robinson, Aisha Braveboy, Michael Vaughn, Krill Resnick, Dan Morhiem, Nathaniel Oaks, Shawn Tarrant, and Shirley Nathan-Pullman. A quick overview of the bills that were successfully passed:

HB 48-SB 1066 Titled: Minority Business Enterprise not-for-profit entities-sponsored by Delegate Barbara A. Robinson.
This bill essentially removes not-for-profit or non-profit businesses that are presently certified as Minority Owned Business Enterprises (MBE’s) from the enabling status certified MBE’s. The State of Maryland cannot further certify these firms as MBE’s nor can they count any of the spend after 2014 that state agencies procure with them. Not-for-profits have been counted as MBE’s since the program commenced in 1978 and in F-Y 2011 about $700 million of $1.6 billion were counted spend with not-for-profits. The historical nature of the bill means that those state agencies that spent tax dollars with not-for-profits will now have to spend with true deserving certified MBE’s who are owned and controlled by one majority minority owner of a diverse ethnic background.

This bill’s intent is to require the Maryland Public Service Commission (PSC) to place MBE goals on any license or permit granted to a developer of electricity by way of constructing a new generation plant. Because there has not been a disparity study completed to determine that discrimination exists within constructing and operating energy generation plants, the bill has been tabled until such a study is completed. Said study will be completed during the remainder of calendar year 2013 and if discrimination exists the bill will be reintroduced during 2014’s legislative session. This legislation has the potential to add $1.25 billion spend for certified MBE’s based on $5 billion of proposed spending on new energy generation plants slated to be constructed in Maryland.

This bill, thanks to Karen Barbour, Surety Broker of The Barbour Group, MWMCA’s WBE of The Year 2009, opens greater access to bonding by subcontractors, which the majority of MBE’s are subcontractors. In a nutshell, if a bond is acceptable to the State of Maryland by way of Maryland Insurance Administration, then the prime contractor employing the job must accept the
bond provided by the subcontractor. This ends the practice by some prime contractors of having a “secret”, pre-approved list of companies that provide bonds that are far fewer than those approved by the State and allowed prime contractors to deny one the ability to bid and bond. This bill is a game change for deserving and hard working MBE contractors.


The legislature has passed a bill to become effective on July 1, 2013 which limits retention from contractors and subcontractors on all public projects in the State to a maximum of 5%.

Retainage is the holding of a percentage of progress payments due contractors and subcontractors on a construction contract until after completion of the entire contract. Retainage on most public projects which heretofore was 10% until the first 50% of the project was completed has punished contractors and subcontractors who properly and timely perform. Retainage has been particularly unfair to early finishing trades like excavators and site work contractors who sometimes have to wait for years for final payment on public projects. The Little Miller Act of Maryland which controls all public projects in the State has at long last been amended to limit retainage to 5% throughout the course of any project. This new law will be a great financial benefit to contractors of all public building in Maryland because it will increase the necessary cash flow to permit on-going operations.

MWMCA thanks all members of the Maryland Senate and House of Delegates where there was a unanimous vote in favor of this needed legislation.