

# HOUSE BILL 543

P2

3lr2562

---

By: **Delegates Tomlinson, Buckel, Edelson, Hornberger, Miller, Nawrocki, and Rose**

Introduced and read first time: February 1, 2023

Assigned to: Health and Government Operations

---

Committee Report: Favorable

House action: Adopted

Read second time: March 9, 2023

---

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Procurement – Small Procurement – Definition**

3 FOR the purpose of altering certain dollar thresholds of spending for the purposes of  
4 defining “small procurement” for State procurement contracts; and generally  
5 relating to small procurements.

6 BY repealing and reenacting, with amendments,  
7 Article – State Finance and Procurement  
8 Section 13–109  
9 Annotated Code of Maryland  
10 (2021 Replacement Volume and 2022 Supplement)

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

13 **Article – State Finance and Procurement**

14 13–109.

15 (a) In this section, “small procurement” means a procurement for which:

16 (1) a unit spends [~~\$50,000~~] **\$100,000** or less;

17 (2) a contractor provides services subject to § 11–202(3) of this article for

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 expected annual revenues of ~~[\$50,000]~~ **\$100,000** or less;

2 (3) the Department of General Services or the Department of  
3 Transportation is seeking to award a procurement contract for a construction with a value  
4 that is ~~[\$100,000]~~ **\$200,000** or less;

5 (4) the Department of Natural Resources is seeking to award a  
6 procurement contract for capital projects or maintenance with a value that is ~~[\$100,000]~~  
7 **\$200,000** or less; or

8 (5) for purposes of administering Title 29, Subtitle 1 of the State Personnel  
9 and Pensions Article, the State Retirement Agency spends ~~[\$50,000]~~ **\$100,000** or less  
10 during a fiscal year for:

11 (i) expenses related to independent medical evaluations by a  
12 physician; and

13 (ii) any expenses related to testimony by the physician at  
14 administrative hearings on behalf of the Agency.

15 (b) A unit may make small procurements in accordance with the regulations of  
16 primary procurement units.

17 (c) A primary procurement unit may not create a small procurement by artificial  
18 division of a procurement.

19 (d) Any regulation of a primary procurement unit to govern small procurements:

20 (1) shall provide for a simplified administrative procedure;

21 (2) shall be consistent with the basic intent of this Division II; and

22 (3) may not be disadvantageous economically to the State.

23 (e) At least every 3 years, the Board shall:

24 (1) review the prevailing costs of labor and materials; and

25 (2) if warranted by changes in cost, recommend to the General Assembly  
26 appropriate adjustments in the ceiling for a small procurement.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2023.