

# HOUSE BILL 855

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By: **Delegates Brooks, Atterbeary, D. Barnes, Bromwell, Glenn, Hettleman, C. Howard, Jackson, Jalisi, Jones, Lafferty, J. Lewis, Lierman, Lisanti, Patterson, Pena–Melnyk, Queen, Sample–Hughes, Sanchez, Sydnor, Turner, Valderrama, Wilkins, and P. Young**

Introduced and read first time: February 2, 2018

Assigned to: Health and Government Operations and Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Government – Regulations Impacting Small Businesses – Economic**  
3 **Impact Analyses**

4 FOR the purpose of requiring the Office of Legislative Audits to conduct a performance  
5 audit of certain units of State government periodically for certain purposes; requiring  
6 the performance audit to evaluate the reliability and efficacy of certain actions of  
7 certain units of State government; requiring certain units to make a certain  
8 determination regarding certain local regulations; requiring that the units must  
9 include a certain statement in certain proposed regulations; requiring the  
10 Department of Budget and Management to provide certain training regarding  
11 economic impact analyses to certain units; altering the period before a proposed  
12 regulation is submitted to the Maryland Register and to the Joint Committee on  
13 Administrative, Executive, and Legislative Review; requiring certain promulgating  
14 units to establish a certain electronic registry for certain purposes; requiring a  
15 promulgating unit to post a proposed regulation on the registry if the proposed  
16 regulation has a significant small business impact; requiring a certain unit to notify  
17 certain parties when a proposed regulation is posted on a certain electronic registry;  
18 requiring a certain unit to post a proposed regulation on a certain electronic registry  
19 by a certain date; requiring a certain unit to create a certain compliance guide to  
20 assist small businesses in complying with a certain proposed regulation; establishing  
21 certain conditions that must be considered and certain actions that may be taken by  
22 a State unit in assessing a civil penalty against a small business for a violation of a  
23 State statute or regulation; providing that certain State regulations supersede  
24 certain local regulations under certain circumstances; requiring the Governor to  
25 designate a certain unit to study certain matters and to submit a report to certain  
26 committees of the General Assembly on or before a certain date; and generally  
27 relating to regulations and small businesses in the State.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – State Government  
3 Section 2–1220, 2–1505.2(d) and (e), 10–110, 10–224(b), and 10–1001  
4 Annotated Code of Maryland  
5 (2014 Replacement Volume and 2017 Supplement)

6 BY repealing and reenacting, without amendments,  
7 Article – State Government  
8 Section 2–1505.2(a), (b), and (f) through (j) and 10–224(a)  
9 Annotated Code of Maryland  
10 (2014 Replacement Volume and 2017 Supplement)

11 BY adding to  
12 Article – State Government  
13 Section 2–1505.2(k)  
14 Annotated Code of Maryland  
15 (2014 Replacement Volume and 2017 Supplement)

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

18 **Article – State Government**

19 2–1220.

20 (a) (1) In this subsection, “unit” includes each State department, agency, unit,  
21 and program, including each clerk of court and each register of wills.

22 (2) (i) The Office of Legislative Audits shall conduct a fiscal/compliance  
23 audit of each unit of the State government, except for units in the Legislative Branch.

24 (ii) The audit of each unit shall be conducted at an interval ranging  
25 from 3 to 4 years unless the Legislative Auditor determines, on a case–by–case basis, that  
26 more frequent audits are required.

27 (iii) In determining the audit interval for a unit, the Office of  
28 Legislative Audits shall take into consideration:

29 1. the materiality and risk of the unit’s fiscal activities with  
30 respect to the State’s fiscal activities;

31 2. the complexity of the unit’s fiscal structure; and

32 3. the nature and extent of audit findings in the unit’s prior  
33 audit reports.

34 (iv) Each agency or program may be audited separately or as part of

1 a larger organizational unit of State government.

2 (3) Performance audits or financial statement audits shall be conducted  
3 when authorized by the Legislative Auditor, when directed by the Joint Audit Committee  
4 or the Executive Director, or when otherwise required by law.

5 (4) (i) In addition to the audits required under paragraph (2) of this  
6 subsection, the Office of Legislative Audits may conduct a review when the objectives of the  
7 work to be performed can be satisfactorily fulfilled without conducting an audit as  
8 prescribed in § 2-1221 of this subtitle.

9 (ii) 1. The Office of Legislative Audits has the authority to  
10 conduct a separate investigation of an act or allegation of fraud, waste, or abuse in the  
11 obligation, expenditure, receipt, or use of State resources.

12 2. The Legislative Auditor shall determine whether an  
13 investigation shall be conducted in conjunction with an audit undertaken in accordance  
14 with this subsection or separately.

15 (5) If, on request of the Comptroller, the Joint Audit Committee so directs,  
16 the Office of Legislative Audits shall audit or review a claim that has been presented to the  
17 Comptroller for payment of an expenditure or disbursement and that is alleged to have  
18 been made by or for an officer or unit of the State government.

19 (6) The Office of Legislative Audits shall conduct an audit or review to  
20 determine the accuracy of information about or procedures of a unit of the State  
21 government, as directed by the Joint Audit Committee or the Executive Director.

22 (b) If the General Assembly, by resolution, or the Joint Audit Committee so  
23 directs, the Office of Legislative Audits shall conduct an audit or review of a corporation or  
24 association to which the General Assembly has appropriated money or that has received  
25 funds from an appropriation from the State Treasury.

26 (c) The Office of Legislative Audits may audit any county officer or unit that  
27 collects State taxes.

28 (d) (1) The Office of Legislative Audits shall review any audit report prepared  
29 under the authority of:

30 (i) §§ 16-305 through 16-308 of the Local Government Article, with  
31 respect to a county, municipal corporation, or taxing district; or

32 (ii) § 16-315 of the Education Article, with respect to a community  
33 college.

34 (2) The results of any review made by the Office of Legislative Audits under  
35 paragraph (1) of this subsection shall be reported as provided in § 2-1224 of this subtitle.

1           **(E) BEGINNING NOT LATER THAN JUNE 30, 2019, AND AT LEAST ONCE**  
2 **EVERY 3 YEARS THEREAFTER, THE OFFICE OF LEGISLATIVE AUDITS SHALL**  
3 **CONDUCT A PERFORMANCE AUDIT TO EVALUATE THE RELIABILITY AND EFFICACY**  
4 **OF:**

5           **(1) THE ECONOMIC IMPACT ANALYSES REQUIRED UNDER §**  
6 **2-1502.2(D) OF THIS TITLE;**

7           **(2) THE ACTIVITIES REQUIRED TO BE PERFORMED UNDER §**  
8 **10-110(D)(3) OF THIS ARTICLE; AND**

9           **(3) THE EVALUATION REQUIRED TO BE CONDUCTED UNDER § 10-124**  
10 **OF THIS ARTICLE.**

11           **[(e)] (F) (1)** Except as provided in paragraph (4) of this subsection, at least  
12 once every 6 years, the Office of Legislative Audits shall conduct an audit of each local  
13 school system to evaluate the effectiveness and efficiency of the financial management  
14 practices of the local school system.

15           (2) The audits may be performed concurrently or separately.

16           (3) The Office of Legislative Audits shall provide information regarding the  
17 audit process to the local school system before the audit is conducted.

18           (4) (i) Subject to the limitation under subparagraph (ii) of this  
19 paragraph, beginning in fiscal year 2017, a local school system shall be exempt from the  
20 audit requirement under paragraph (1) of this subsection if the county governing body, the  
21 county board of education, and the county delegation to the Maryland General Assembly  
22 consisting of the county senators and delegates each submits a letter to the Joint Audit  
23 Committee requesting an exemption on or before November 1 of fiscal year 2017, or on or  
24 before November 1 of the last year of a 6-year audit cycle under paragraph (1) of this  
25 subsection, as determined by the Office of Legislative Audits.

26           (ii) A local school system may not be exempt for two consecutive  
27 6-year audit cycles.

28           (5) Notwithstanding paragraph (4) of this subsection, the Joint Audit  
29 Committee may direct the Office of Legislative Audits to conduct an audit of a local school  
30 system at any time.

31           **[(f)] (G) (1)** At least once every 4 years, the Office of Legislative Audits shall  
32 conduct a performance audit of the Board of Liquor License Commissioners for Baltimore  
33 City to evaluate the effectiveness and efficiency of the management practices of the Board  
34 and of the economy with which the Board uses resources.

1           (2) At any time on request of the President and the Speaker, the Office  
2 shall conduct a performance audit of the local licensing board, as defined in § 1–101 of the  
3 Alcoholic Beverages Article, for a county or for the City of Annapolis to evaluate the  
4 effectiveness and efficiency of the management practices of the board and of the economy  
5 with which the board uses resources.

6           (3) The performance audit shall focus on operations relating to liquor  
7 inspections, licensing, disciplinary procedures, and management oversight.

8           **[(g)] (H)** (1) Beginning on July 1, 2017, and at least once every 3 years  
9 thereafter, the Office of Legislative Audits shall conduct a performance audit of the Board  
10 of License Commissioners for Prince George’s County to evaluate the effectiveness and  
11 efficiency of the management practices of the Board and of the economy with which the  
12 Board uses resources.

13           (2) The performance audit shall focus on operations relating to liquor  
14 inspections, licensing, disciplinary procedures, and management oversight.

15 2–1505.2.

16           (a) (1) In this section the following words have the meanings indicated.

17           (2) “Committee” means the Joint Committee on Administrative, Executive,  
18 and Legislative Review.

19           (3) “Economic impact analysis” means an estimate of the cost or the  
20 economic benefit to small businesses that may be affected by a regulation proposed by an  
21 agency pursuant to Title 10, Subtitle 1 of this article.

22           (4) “Economic impact analysis rating” means an estimate that a proposed  
23 regulation will have:

24                   (i) minimal or no economic impact on small businesses; or

25                   (ii) meaningful economic impact on small businesses.

26           (5) “Small business” means a corporation, partnership, sole proprietorship,  
27 or other business entity, including its affiliates, that:

28                   (i) is independently owned and operated;

29                   (ii) is not dominant in its field; and

30                   (iii) employs 50 or fewer full–time employees.

31           (b) (1) An economic impact analysis rating and an economic impact analysis,  
32 as appropriate, shall be prepared by the appropriate Executive Branch agency for each

1 regulation that the agency proposes for adoption pursuant to Title 10, Subtitle 1 of this  
2 article.

3 (2) A copy of the economic impact analysis rating and the economic impact  
4 analysis required under this subsection shall be submitted by the appropriate agency:

5 (i) to the Department of Legislative Services no later than the time  
6 the agency submits the regulation to the Committee to allow the Department to comment  
7 on the economic impact analysis rating and the economic impact analysis; and

8 (ii) to the Committee at the time the agency submits the regulation  
9 to the Committee.

10 (d) The economic impact analysis rating and the economic impact analysis  
11 required under this section shall include:

12 (1) estimates directly relating to the following factors, as appropriate:

13 [(1)] (I) cost of providing goods and services;

14 [(2)] (II) effect on the workforce;

15 [(3)] (III) effect on the cost of housing;

16 [(4)] (IV) efficiency in production and marketing;

17 [(5)] (V) capital investment, taxation, competition, and economic  
18 development; and

19 [(6)] (VI) consumer choice; AND

20 (2) **A DETERMINATION WHETHER ANY EXISTING REGULATION OF A**  
21 **COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED**  
22 **REGULATION HAS BEEN PROMULGATED BY A UNIT OF A LOCAL GOVERNMENT.**

23 (e) (1) The Executive Branch agency or the Department of Legislative Services  
24 preparing the economic impact analysis rating and the economic impact analysis required  
25 under this section shall consult with, as appropriate:

26 (i) other units of State government;

27 (ii) units of local government; and

28 (iii) business, trade, consumer, labor, and other groups impacted by  
29 or having an interest in the regulation.

1           (2) On request of the Executive Director of the Department of Legislative  
2 Services, a unit of the State or a local government shall provide the Department with  
3 assistance or information in the preparation of an economic impact analysis rating and  
4 economic impact analysis.

5           **(3) IF THE PROMULGATING UNIT DETERMINES THAT AN EXISTING**  
6 **REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE**  
7 **PROPOSED REGULATION HAS BEEN PROMULGATED BY A UNIT OF A LOCAL**  
8 **GOVERNMENT, THE UNIT MAY INCLUDE IN ITS PROPOSED REGULATION A**  
9 **STATEMENT THAT COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE**  
10 **COMPLIANCE WITH THE PROPOSED REGULATION.**

11           (f) The Department of Legislative Services shall:

12           (1) comment on the economic impact analysis rating and economic impact  
13 analysis prepared by the appropriate Executive Branch agency; and

14           (2) transmit its comment to the Committee.

15           (g) The Department of Legislative Services shall revise the economic impact  
16 analysis rating and economic impact analysis consistent with an amended version of a  
17 regulation.

18           (h) (1) The Department of Legislative Services shall keep a copy of each  
19 economic impact analysis rating and economic impact analysis for 3 years after preparation  
20 of the rating or the analysis.

21           (2) The copies shall be reasonably available for public inspection.

22           (i) Economic impact analysis ratings and economic impact analyses shall be  
23 published in the Maryland Register at the same time as:

24           (1) a notice of proposed adoption of a regulation is published in the  
25 Maryland Register; or

26           (2) a notice of emergency adoption for a regulation is published in the  
27 Maryland Register.

28           (j) The validity of an enactment of a regulation is not affected by the presence,  
29 absence, or content of an economic impact analysis rating or an economic impact analysis.

30           **(k) (1) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL ENTER**  
31 **INTO AN AGREEMENT WITH AN APPROPRIATE ENTITY TO PROVIDE TRAINING TO**  
32 **PROMULGATING UNITS ON THE PREPARATION OF THE ECONOMIC ANALYSES**  
33 **REQUIRED UNDER THIS SECTION.**

1                   **(2) THE TRAINING REQUIRED TO BE PROVIDED UNDER PARAGRAPH**  
2 **(1) OF THIS SUBSECTION SHALL BE PROVIDED AT LEAST ONCE EVERY 2 YEARS.**

3 10–110.

4           (a) Except for subsection (d) of this section, this section does not apply to a  
5 regulation adopted under § 10–111(b) of this subtitle.

6           (b) At least 15 days before the date a proposed regulation is submitted to the  
7 Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit  
8 shall submit to the State Children’s Environmental Health and Protection Advisory  
9 Council established under § 13–1503 of the Health – General Article for review any  
10 proposed regulations identified by the promulgating unit as having an impact on  
11 environmental hazards affecting the health of children.

12           (c) At least ~~[15]~~ **30** days before the date a proposed regulation is submitted to the  
13 Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit  
14 shall submit to the Advisory Council on the Impact of Regulations on Small Businesses  
15 established under § 3–502 of the Economic Development Article for review each proposed  
16 regulation and the estimated impact of the proposed regulation on small businesses  
17 identified by the promulgating unit.

18           (d) (1) At least ~~[15]~~ **30** days before the date a proposed regulation is submitted  
19 to the Maryland Register for publication under § 10–112 of this subtitle, the promulgating  
20 unit shall submit the proposed regulation to the Committee and the Department of  
21 Legislative Services.

22                   (2) (i) If the proposed regulation, either in whole or in part, submitted  
23 to the Committee and the Department of Legislative Services in accordance with paragraph  
24 (1) of this subsection includes an increase or decrease in a fee for a license to practice any  
25 business activity, business or health occupation, or business or health profession licensed  
26 or otherwise regulated under State law, the promulgating unit shall include clearly written  
27 explanatory reasons that justify the increase or decrease in the fee.

28                               (ii) If a regulation submitted under subparagraph (i) of this  
29 paragraph proposes an increase in a fee for a license, the written justification also shall  
30 include information about:

31                                       1. the amount of money needed by the promulgating unit to  
32 operate effectively or to eliminate an imbalance between the revenues and expenditures of  
33 the unit;

34                                       2. the most recent year in which the promulgating unit had  
35 last increased its fees;

36                                       3. the structure of the promulgating unit as to whether it is  
37 one that retains the license fees it receives or passes them through to a national



1 organization or association that creates and administers a uniform licensing examination  
2 that is taken by anyone in the United States who is seeking a license to practice a particular  
3 occupation or profession or business activity issued by the promulgating unit;

4 4. measures taken by the promulgating unit to avoid or  
5 mitigate the necessity of a fee increase and the results of those measures;

6 5. special circumstances about the activities and  
7 responsibilities of the promulgating unit, including investigations of individuals licensed  
8 by the unit, that have had an adverse impact on the unit's operating expenses;

9 6. consideration given by the promulgating unit to the  
10 hardship a license fee increase may have on individuals and trainees licensed or regulated  
11 by the unit; and

12 7. actions taken by the promulgating unit to elicit the  
13 opinions of the individuals who are licensed by the promulgating unit and the members of  
14 the public as to the effectiveness and performance of the promulgating unit.

15 (3) If the promulgating unit estimates that the proposed regulation will  
16 have a significant small business impact, the unit shall:

17 (i) identify each provision in the proposed regulation that will have  
18 a significant small business impact;

19 (ii) quantify or describe the range of potential costs of the proposed  
20 regulation on small businesses in the State;

21 (iii) identify how many small businesses may be impacted by the  
22 proposed regulation;

23 (iv) identify any alternative provisions the unit considered that may  
24 have a less significant impact on small businesses in the State and the reason the  
25 alternative was not proposed;

26 (v) identify the beneficial impacts of the regulation, including to  
27 public health, safety, and welfare, or to the environment; [and]

28 **(VI) ESTABLISH AN ELECTRONIC REGISTRY THAT ALLOWS ANY**  
29 **SMALL BUSINESS OR OTHER INTERESTED PARTY TO REGISTER TO RECEIVE AN**  
30 **ELECTRONIC NOTIFICATION WHEN THE PROPOSED REGULATION IS POSTED ON THE**  
31 **UNIT'S WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH;**

32 **(VII) POST THE PROPOSED REGULATION AND THE REGULATION'S**  
33 **ESTIMATED SMALL BUSINESS IMPACT ON THE UNIT'S WEBSITE AT LEAST 15 DAYS**  
34 **BEFORE THE DATE THE PROPOSED REGULATION IS SUBMITTED TO THE**

1 COMMITTEE, THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE ADVISORY  
2 COUNCIL IN ACCORDANCE WITH THIS SECTION, AND PROVIDE AN OPPORTUNITY  
3 FOR COMMENTS TO THE UNIT'S PROPOSAL;

4 (VIII) ON POSTING A PROPOSED REGULATION ON THE UNIT'S  
5 WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH, NOTIFY THE  
6 PARTIES REGISTERED IN THE ELECTRONIC REGISTRY ESTABLISHED UNDER ITEM  
7 (VI) OF THIS PARAGRAPH THAT THE PROPOSED REGULATION HAS BEEN POSTED;

8 (IX) PREPARE A COMPLIANCE GUIDE WRITTEN IN CLEAR, PLAIN  
9 ENGLISH TO ASSIST SMALL BUSINESSES IN COMPLYING WITH THE PROPOSED  
10 REGULATION, UPDATE THE GUIDE AS NEEDED UNTIL THE REGULATION IS FINAL,  
11 AND POST THE GUIDE ON THE UNIT'S WEBSITE; AND

12 [(vi)] (X) coordinate with the Advisory Council not later than the  
13 date the proposed regulation is submitted to the Committee, the Department of Legislative  
14 Services, and the Advisory Council in accordance with this section.

15 (e) (1) The Committee is not required to take any action with respect to a  
16 proposed regulation submitted to it pursuant to subsection (d) of this section.

17 (2) Failure by the Committee to approve or disapprove the proposed  
18 regulation during the period of preliminary review provided by subsection (d) of this section  
19 may not be construed to mean that the Committee approves or disapproves the proposed  
20 regulation.

21 (3) During the preliminary review period, the Committee may take any  
22 action relating to the proposed regulation that the Committee is authorized to take under  
23 §§ 10–111.1 and 10–112 of this subtitle.

24 (4) (i) If the Advisory Council submits to the Committee and the  
25 Department of Legislative Services a written statement of its findings that a proposed  
26 regulation will have a significant small business impact as required by § 3–505 of the  
27 Economic Development Article, the Committee and the Department of Legislative Services  
28 shall review the findings.

29 (ii) After notification that a proposed regulation will have a  
30 significant small business impact, any member of the Committee may request a hearing on  
31 the proposed regulation.

32 (iii) If a member requests a hearing, the Committee:

33 1. shall hold a hearing; and

34 2. may request that the promulgating unit delay adoption of  
35 the regulation.

1 (f) Prior to the date specified in subsection (d) of this section, the promulgating  
2 unit is encouraged to:

3 (1) submit the proposed regulation to the Committee and to consult with  
4 the Committee concerning the form and content of that regulation; and

5 (2) submit the proposed regulation to the Advisory Council and to consult  
6 with the Advisory Council concerning the estimated small business impact of the regulation  
7 and ways to reduce the small business impact.

8 10–224.

9 (a) (1) In this section the following words have the meanings indicated.

10 (2) “Business” means a trade, professional activity, or other business that  
11 is conducted for profit.

12 (3) “Nonprofit organization” means an organization that is exempt or  
13 eligible for exemption from taxation under § 501(c)(3) of the Internal Revenue Code.

14 (b) This section applies only to:

15 (1) an agency operating statewide;

16 (2) a business that, on the date when the contested case or civil action is  
17 initiated[:

18 (i) is independently owned and operated; and

19 (ii) has less than 50 employees, including, if a corporation owns 50%  
20 or more of the stock of the business, each employee of the corporation], **MEETS THE**  
21 **DEFINITION OF A SMALL BUSINESS UNDER § 2–1505.2 OF THIS ARTICLE;** and

22 (3) a nonprofit organization.

23 10–1001.

24 (a) In this section, “unit” means an officer or other entity in the Executive Branch.

25 (b) **(1)** Unless otherwise provided by statute or regulation, a unit of State  
26 government authorized by law to impose a civil penalty up to a specific dollar amount for  
27 violation of any statute or regulation shall consider the following in setting the amount of  
28 the penalty:

29 **[(1)] (1)** the severity of the violation for which the penalty is to be  
30 assessed;

1           **[(2)] (II)** the good faith of the violator; **[and]**

2           **[(3)] (III)** any history of prior violations; **AND**

3                           **(IV) IF THE VIOLATOR MEETS THE DEFINITION OF A SMALL**  
4 **BUSINESS UNDER § 2-1505.2 OF THIS ARTICLE, ADDITIONALLY CONSIDER:**

5                           **1. WAIVING THE PENALTY IF THE VIOLATOR CORRECTS**  
6 **THE VIOLATION WITHIN 30 DAYS AFTER THE FINDING OF THE VIOLATION;**

7                           **2. DEPENDING ON THE VIOLATOR'S FINANCIAL**  
8 **CAPACITY, IMPOSING A LESSER PENALTY THAN WOULD BE IMPOSED ON A LARGER**  
9 **BUSINESS ENTITY IN A COMPARABLE INDUSTRY; OR**

10                           **3. CREDITING THE COSTS OF CORRECTING THE**  
11 **VIOLATION AGAINST THE PENALTY ASSESSED AGAINST THE VIOLATOR.**

12                           **(2) PARAGRAPH (1)(IV) OF THIS SUBSECTION MAY NOT APPLY TO A**  
13 **VIOLATOR THAT HAS BEEN THE SUBJECT OF MULTIPLE ENFORCEMENT ACTIONS BY**  
14 **A STATE OR LOCAL UNIT THAT:**

15                           **(I) INVOLVE WILLFUL OR CRIMINAL CONDUCT; OR**

16                           **(II) POSE SERIOUS HEALTH, SAFETY, OR ENVIRONMENTAL**  
17 **THREATS.**

18                           **(C) (1) UNLESS OTHERWISE PROVIDED BY STATE LAW, IF A UNIT**  
19 **PROMULGATES A REGULATION THAT HAS A SIGNIFICANT SMALL BUSINESS IMPACT,**  
20 **AS DEFINED UNDER § 2-1505.2 OF THIS ARTICLE, AND THE REGULATION IS**  
21 **COMPARABLE TO A REGULATION PROMULGATED BY A UNIT OF LOCAL**  
22 **GOVERNMENT, THE STATE REGULATION SHALL SUPERSEDE ENFORCEMENT OF THE**  
23 **LOCAL REGULATION.**

24                           **(2) THE UNIT THAT PROMULGATES THE REGULATION SHALL**  
25 **DETERMINE WHETHER A STATE REGULATION:**

26                           **(I) HAS A SIGNIFICANT IMPACT ON SMALL BUSINESSES; AND**

27                           **(II) IS COMPARABLE TO A LOCAL REGULATION.**

28           SECTION 2. AND BE IT FURTHER ENACTED, That:

29           (a) The Governor shall designate an appropriate department, office, or other unit

1 to study:

2 (1) the feasibility, methods, and costs of requiring all State units to allow  
3 small businesses to submit by electronic means any payments, forms, reports, or other  
4 documentation required by regulation; and

5 (2) the ability of State agencies to collect and share information regarding  
6 the impact of regulations on small businesses.

7 (b) The study shall include:

8 (1) assessing data currently collected by State agencies to determine if  
9 necessary and appropriate information is being collected;

10 (2) analyzing the capabilities of State information technology systems to  
11 provide aggregate data;

12 (3) reviewing and recommending appropriate amendments to State  
13 statutes and regulations to identify legal limitations that may prevent State units from  
14 sharing relevant information with other State units;

15 (4) providing recommendations for data-sharing agreements among State  
16 units; and

17 (5) providing recommendations for adequate security measures for sharing  
18 data among State units.

19 (c) On or before June 30, 2019, the designated unit shall report to the Governor  
20 and, in accordance with § 2-1246 of the State Government Article, the Senate Finance  
21 Committee and the House Economic Matters Committee on the results of the study and the  
22 implementation of this Act.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2018.