

HOUSE BILL 1124

P1

(9lr1724)

ENROLLED BILL

— *Health and Government Operations and Appropriations/ Education, Health, and Environmental Affairs* —

Introduced by **Delegates Brooks, D. Barnes, Branch, Bromwell, D.E. Davis, Dumais, Fennell, Gaines, Glenn, Hettleman, Jones, R. Lewis, Luedtke, Mosby, Patterson, Proctor, Qi, Queen, Sample-Hughes, Stein, Valderrama, Walker, C. Watson, R. Watson, ~~and P. Young~~ P. Young, Bagnall, Barron, Carr, Charles, Chisholm, Cullison, Hill, Johnson, Kelly, Kerr, Kipke, Krebs, Metzgar, Morgan, Pena-Melnyk, Pendergrass, Rosenberg, Saab, Szeliga, and K. Young**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of ~~requiring certain units to make a certain certification regarding certain~~
5 ~~local regulations; requiring that the units must include a certain statement in~~
6 ~~certain proposed regulations; requiring the Department of Budget and Management~~
7 ~~to provide certain training regarding economic impact analyses to certain units;~~
8 ~~altering the period before a proposed regulation is submitted to the Maryland~~

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.

Italics indicate opposite chamber/conference committee amendments.



~~Register and to the Joint Committee on Administrative, Executive, and Legislative Review; requiring a certain promulgating unit to establish a certain electronic registry for certain purposes; requiring a promulgating unit to post a proposed regulation or the scope of a proposed regulation on the registry if the proposed regulation has a unit's website by a certain date and provide an opportunity for certain comments if the promulgating unit estimates that the proposed regulation will have a certain significant small business impact; requiring a certain promulgating unit to notify certain parties when a proposed regulation or the scope of a proposed regulation is posted on a certain electronic registry the unit's website; requiring a certain unit to post a proposed regulation on a certain electronic registry by a certain date; requiring a certain unit promulgating unit to create prepare, update, and post on the unit's website a certain compliance guide to assist small businesses in complying with a certain proposed regulation; establishing certain conditions that must be considered and certain actions that may be taken by a State unit in assessing a civil penalty against a small business for a violation of a State statute or regulation; requiring the Governor to designate a certain unit to study certain matters and to submit a report to certain committees of the General Assembly on or before a certain date; repealing provisions of law relating to the Advisory Council on the Impact of Regulations on Small Businesses; repealing a requirement that a promulgating unit take certain actions if the promulgating unit estimates that a proposed regulation will have a certain significant small business impact; repealing provisions establishing the Advisory Council and its purpose; repealing provisions relating to the membership, chair, staffing, meetings, and duties of the Advisory Council; repealing certain reporting requirements; repealing certain definitions; making conforming changes; providing for the delayed effective date of certain provisions of this Act; and generally relating to regulations and small businesses in the State.~~

BY repealing and reenacting, without amendments,

Article – State Government

Section 2–1505.2(a), ~~and (b), and (f) through (j)~~ and 10–224(a)

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – State Government~~

~~Section 2–1505.2(d) and (e), 10–110, 10–224(b), and 10–1001~~

~~Annotated Code of Maryland~~

~~(2014 Replacement Volume and 2018 Supplement)~~

BY adding to

Article – State Government

Section 2–1505.2(k)

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

1 Article – State Government
 2 Section 10–101, 10–110(d), and 10–224(b)
 3 Annotated Code of Maryland
 4 (2014 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – State Government
 7 Section 10–110
 8 Annotated Code of Maryland
 9 (2014 Replacement Volume and 2018 Supplement)
 10 (As enacted by Section 1 of this Act)

11 BY repealing
 12 Article – Economic Development
 13 Section 3–501 through 3–508 and the subtitle “Subtitle 5. Advisory Council on the
 14 Impact of Regulations on Small Businesses”
 15 Annotated Code of Maryland
 16 (2018 Replacement Volume)

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

19 **Article – State Government**

20 2–1505.2.

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

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

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

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

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

30 (ii) meaningful economic impact on small businesses.

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

33 (i) is independently owned and operated;

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

2 (iii) employs 50 or fewer full-time employees.

3 (b) (1) An economic impact analysis rating and an economic impact analysis,
4 as appropriate, shall be prepared by the appropriate Executive Branch agency for each
5 regulation that the agency proposes for adoption pursuant to Title 10, Subtitle 1 of this
6 article.

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

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

12 (ii) to the Committee at the time the agency submits the regulation
13 to the Committee.

14 ~~(d) The economic impact analysis rating and the economic impact analysis~~
15 ~~required under this section shall include:~~

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

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

18 ~~[(2)] (II) effect on the workforce;~~

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

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

21 ~~[(5)] (V) capital investment, taxation, competition, and economic~~
22 ~~development; and~~

23 ~~[(6)] (VI) consumer choice; AND~~

24 ~~(2) A CERTIFICATION STATING WHETHER ANY EXISTING REGULATION~~
25 ~~OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED~~
26 ~~REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT.~~

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

30 ~~(i) other units of State government;~~

1 (ii) ~~units of local government; and~~

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

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

8 **~~(3) IF THE PROMULGATING UNIT CERTIFIES THAT AN EXISTING~~**
9 **~~REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE~~**
10 **~~PROPOSED REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT,~~**
11 **~~THE UNIT MAY INCLUDE IN ITS PROPOSED REGULATION A STATEMENT THAT~~**
12 **~~COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE COMPLIANCE WITH~~**
13 **~~THE PROPOSED REGULATION.~~**

14 (f) ~~The Department of Legislative Services shall:~~

15 (1) ~~comment on the economic impact analysis rating and economic impact~~
16 ~~analysis prepared by the appropriate Executive Branch agency; and~~

17 (2) ~~transmit its comment to the Committee.~~

18 (g) ~~The Department of Legislative Services shall revise the economic impact~~
19 ~~analysis rating and economic impact analysis consistent with an amended version of a~~
20 ~~regulation.~~

21 (h) (1) ~~The Department of Legislative Services shall keep a copy of each~~
22 ~~economic impact analysis rating and economic impact analysis for 3 years after preparation~~
23 ~~of the rating or the analysis.~~

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

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

27 (1) ~~a notice of proposed adoption of a regulation is published in the~~
28 ~~Maryland Register; or~~

29 (2) ~~a notice of emergency adoption for a regulation is published in the~~
30 ~~Maryland Register.~~

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

1 **(K) (1) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL ENTER**
 2 **INTO AN AGREEMENT WITH AN APPROPRIATE ENTITY TO PROVIDE TRAINING TO**
 3 **PROMULGATING UNITS EXECUTIVE BRANCH AGENCIES ON THE PREPARATION OF**
 4 **THE ECONOMIC IMPACT ANALYSES REQUIRED UNDER THIS SECTION.**

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

7 10–110.

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

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

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

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

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

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

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

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

6 3. the structure of the promulgating unit as to whether it is
7 one that retains the license fees it receives or passes them through to a national
8 organization or association that creates and administers a uniform licensing examination
9 that is taken by anyone in the United States who is seeking a license to practice a particular
10 occupation or profession or business activity issued by the promulgating unit;

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

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

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

19 7. actions taken by the promulgating unit to elicit the
20 opinions of the individuals who are licensed by the promulgating unit and the members of
21 the public as to the effectiveness and performance of the promulgating unit.

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

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

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

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

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

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

1 (VI) ESTABLISH AN ELECTRONIC REGISTRY THAT ALLOWS ANY
 2 SMALL BUSINESS, NONPROFIT ORGANIZATION, OR OTHER INTERESTED PARTY TO
 3 REGISTER TO RECEIVE AN ELECTRONIC NOTIFICATION WHEN THE PROPOSED
 4 REGULATION OR THE SCOPE OF THE PROPOSED REGULATION IS POSTED ON THE
 5 UNIT'S WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH;

6 (VII) POST THE PROPOSED REGULATION OR THE SCOPE OF THE
 7 PROPOSED REGULATION ~~AND THE REGULATION'S ESTIMATED SMALL BUSINESS~~
 8 ~~IMPACT~~ ON THE UNIT'S WEBSITE AT LEAST 15 DAYS BEFORE THE DATE THE
 9 PROPOSED REGULATION IS SUBMITTED TO THE COMMITTEE, AND THE
 10 DEPARTMENT OF LEGISLATIVE SERVICES, ~~AND THE ADVISORY COUNCIL~~ IN
 11 ACCORDANCE WITH THIS SECTION, AND PROVIDE AN OPPORTUNITY FOR COMMENTS
 12 ON THE UNIT'S PROPOSAL;

13 (VIII) ON POSTING A PROPOSED REGULATION OR THE SCOPE OF A
 14 THE PROPOSED REGULATION ON THE UNIT'S WEBSITE IN ACCORDANCE WITH ITEM
 15 (VII) OF THIS PARAGRAPH, NOTIFY THE PARTIES REGISTERED IN THE ELECTRONIC
 16 REGISTRY ESTABLISHED UNDER ITEM (VI) OF THIS PARAGRAPH THAT THE
 17 PROPOSED REGULATION OR THE SCOPE OF THE PROPOSED REGULATION HAS BEEN
 18 POSTED;

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

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

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

28 (2) ~~Failure by the Committee to approve or disapprove the proposed~~
 29 ~~regulation during the period of preliminary review provided by subsection (d) of this section~~
 30 ~~may not be construed to mean that the Committee approves or disapproves the proposed~~
 31 ~~regulation.~~

32 (3) ~~During the preliminary review period, the Committee may take any~~
 33 ~~action relating to the proposed regulation that the Committee is authorized to take under~~
 34 ~~§§ 10-111.1 and 10-112 of this subtitle.~~

35 (4) (i) ~~If the Advisory Council submits to the Committee and the~~
 36 ~~Department of Legislative Services a written statement of its findings that a proposed~~
 37 ~~regulation will have a significant small business impact as required by § 3-505 of the~~

~~Economic Development Article, the Committee and the Department of Legislative Services shall review the findings.~~

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

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

~~1. shall hold a hearing; and~~

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

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

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

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

10-224.

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

(2) "Business" means a trade, professional activity, or other business that is conducted for profit.

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

(b) This section applies only to:

(1) an agency operating statewide;

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

(i) is independently owned and operated; and

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

(3) a nonprofit organization.

~~10-1001.~~

~~(a) In this section, "unit" means an officer or other entity in the Executive Branch.~~

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

~~[(1)] (I) the severity of the violation for which the penalty is to be assessed;~~

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

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

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

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

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

~~3. CREDITING THE COSTS OF CORRECTING THE VIOLATION AGAINST THE PENALTY ASSESSED AGAINST THE VIOLATOR.~~

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

~~(I) INVOLVE WILLFUL OR CRIMINAL CONDUCT; OR~~

~~(II) POSE SERIOUS HEALTH, SAFETY, OR ENVIRONMENTAL THREATS.~~

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

1 ~~(a) The Governor shall designate an appropriate department, office, or other unit~~
2 ~~to study:~~

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

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

8 ~~(b) The study shall include:~~

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

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

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

16 ~~(4) providing recommendations for data sharing agreements among State~~
17 ~~units; and~~

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

20 ~~(c) On or before June 30, 2020, the designated unit shall report to the Governor~~
21 ~~and, in accordance with § 2-1246 of the State Government Article, the Senate Finance~~
22 ~~Committee and the House Economic Matters Committee on the results of the study and the~~
23 ~~implementation of this Act.~~

24 Article – State Government

25 10-101.

26 (a) In this subtitle the following words have the meanings indicated.

27 (b) “Administrator” means the Administrator of the Division of State Documents.

28 [(c) “Advisory Council” means the Advisory Council on the Impact of Regulations
29 on Small Businesses established under § 3-502 of the Economic Development Article.]

30 [(d)] (C) “Committee” means the Joint Committee on Administrative, Executive,
31 and Legislative Review.

1 3. a standard;

2 4. a statement of interpretation; or

3 5. a statement of policy.

4 (2) “Regulation” does not include:

5 (i) a statement that:

6 1. concerns only internal management of the unit; and

7 2. does not affect directly the rights of the public or the
8 procedures available to the public;

9 (ii) a response of the unit to a petition for adoption of a regulation,
10 under § 10–123 of this subtitle; or

11 (iii) a declaratory ruling of the unit as to a regulation, order, or
12 statute, under Subtitle 3 of this title.

13 (3) “Regulation”, as used in §§ 10–110 and 10–111.1 of this subtitle, means
14 all or any portion of a regulation.

15 [(i) (1) “Significant small business impact” means a determination by the
16 Advisory Council that a proposed regulation is likely to have a meaningful effect on the
17 revenues or profits of a significant number of small businesses or a significant percentage of
18 small businesses within a single industry in the State.

19 (2) “Significant small business impact” does not include an impact
20 resulting from a proposed regulation that is necessary to comply with federal law, unless the
21 Advisory Council determines that the regulation is more stringent than federal law, in
22 accordance with § 3–505 of the Economic Development Article.]

23 [(j)] (H) “Small business” has the meaning stated in § 2–1505.2 of this article.

24 [(k)] (I) “Substantively” means in a manner substantially affecting the rights,
25 duties, or obligations of:

26 (1) a member of a regulated group or profession; or

27 (2) a member of the public.

28 [(l)] (J) “Unit” means an officer or unit authorized by law to adopt regulations.

29 10–110.

1 (a) Except for subsection [(d)] (C) of this section, this section does not apply to a
2 regulation adopted under § 10-111(b) of this subtitle.

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

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

15 [(d)] (C) (1) At least 15 days before the date a proposed regulation is submitted
16 to the Maryland Register for publication under § 10-112 of this subtitle, the promulgating
17 unit shall submit the proposed regulation to the Committee and the Department of
18 Legislative Services.

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

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

28 1. the amount of money needed by the promulgating unit to
29 operate effectively or to eliminate an imbalance between the revenues and expenditures of
30 the unit;

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

33 3. the structure of the promulgating unit as to whether it is
34 one that retains the license fees it receives or passes them through to a national organization
35 or association that creates and administers a uniform licensing examination that is taken
36 by anyone in the United States who is seeking a license to practice a particular occupation
37 or profession or business activity issued by the promulgating unit;

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

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

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

9 7. actions taken by the promulgating unit to elicit the
10 opinions of the individuals who are licensed by the promulgating unit and the members of
11 the public as to the effectiveness and performance of the promulgating unit.

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

14 [(i) identify each provision in the proposed regulation that will have
15 a significant small business impact;

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

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

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

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

25 [(vi)] (I) establish an electronic registry that allows any small
26 business or other interested party to register to receive an electronic notification when the
27 proposed regulation or the scope of the proposed regulation is posted on the unit's website in
28 accordance with item [(vii)] (II) of this paragraph;

29 [(vii)] (II) post the proposed regulation or the scope of the proposed
30 regulation on the unit's website at least 15 days before the date the proposed regulation is
31 submitted to the Committee and the Department of Legislative Services in accordance with
32 this section and provide an opportunity for comments on the unit's proposal;

1 [(viii)] (III) on posting a proposed regulation or the scope of the
2 proposed regulation on the unit's website in accordance with item [(vii)] (II) of this
3 paragraph, notify the parties registered in the electronic registry established under item
4 [(vi)] (I) of this paragraph that the proposed regulation or the scope of the proposed
5 regulation has been posted; AND

6 [(ix)] (IV) prepare a compliance guide written in clear, plain English
7 to assist small businesses in complying with the proposed regulation, update the guide as
8 needed until the regulation is final, and post the guide on the unit's website]; and

9 (x) coordinate with the Advisory Council not later than the date the
10 proposed regulation is submitted to the Committee, the Department of Legislative Services,
11 and the Advisory Council in accordance with this section].

12 [(e)] (D) (1) The Committee is not required to take any action with respect to
13 a proposed regulation submitted to it pursuant to subsection [(d)] (C) of this section.

14 (2) Failure by the Committee to approve or disapprove the proposed
15 regulation during the period of preliminary review provided by subsection [(d)] (C) of this
16 section may not be construed to mean that the Committee approves or disapproves the
17 proposed regulation.

18 (3) During the preliminary review period, the Committee may take any
19 action relating to the proposed regulation that the Committee is authorized to take under §§
20 10-111.1 and 10-112 of this subtitle.

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

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

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

30 1. shall hold a hearing; and

31 2. may request that the promulgating unit delay adoption of
32 the regulation.]

33 [(f)] (E) Prior to the date specified in subsection [(d)] (C) of this section, the
34 promulgating unit is encouraged to[:

1 (1) *submit the proposed regulation to the Committee and to consult with the*
2 *Committee concerning the form and content of that regulation*]; and

3 (2) *submit the proposed regulation to the Advisory Council and to consult*
4 *with the Advisory Council concerning the estimated small business impact of the regulation*
5 *and ways to reduce the small business impact*].

6 SECTION 3. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect July~~
7 ~~1, 2019~~ *Section(s) 3-501 through 3-508 and the subtitle “Subtitle 5. Advisory Council on the*
8 *Impact of Regulations on Small Businesses” of Article – Economic Development of the*
9 *Annotated Code of Maryland be repealed.*

10 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act
11 shall take effect October 1, 2021.

12 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
13 4 of this Act, this Act shall take effect July 1, 2019.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.