

SENATE BILL 720

C2, P3

0lr3383
CF HB 817

By: **Senators Hester, Carozza, Elfreth, Feldman, Kagan, Klausmeier, Serafini, and West**

Introduced and read first time: February 3, 2020

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Regulations Affecting Small Businesses – Certification of Comparable Local**
3 **Regulation**

4 FOR the purpose of requiring a certain unit of State government proposing a regulation
5 affecting small businesses to include a certain certification regarding a certain local
6 regulation in a certain economic impact analysis rating and a certain economic
7 impact analysis; authorizing a certain unit of State government to include a certain
8 statement in a proposed regulation under certain circumstances; and generally
9 relating to regulations affecting small businesses.

10 BY repealing and reenacting, without amendments,
11 Article – State Government
12 Section 2–1505.2(a) and (b)
13 Annotated Code of Maryland
14 (2014 Replacement Volume and 2019 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Government
17 Section 2–1505.2(d) and (e)
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2019 Supplement)

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

22 **Article – State Government**

23 2–1505.2.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

9 (ii) meaningful economic impact on small businesses.

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

12 (i) is independently owned and operated;

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

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

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

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

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

24 (ii) to the Committee at the time the agency submits the regulation
25 to the Committee.

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

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

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

30 **[(2)] (II)** effect on the workforce;

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

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

3 [(5)] (V) capital investment, taxation, competition, and economic
4 development; and

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

6 **(2) A CERTIFICATION STATING WHETHER ANY EXISTING REGULATION**
7 **OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED**
8 **REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT.**

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

12 (i) other units of State government;

13 (ii) units of local government; and

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

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

20 **(3) IF THE PROMULGATING UNIT CERTIFIES THAT AN EXISTING**
21 **REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE**
22 **PROPOSED REGULATION HAS BEEN ADOPTED BY ANY UNIT OF LOCAL GOVERNMENT,**
23 **THE UNIT MAY INCLUDE IN THE UNIT'S PROPOSED REGULATION A STATEMENT THAT**
24 **COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE COMPLIANCE WITH**
25 **THE PROPOSED REGULATION.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2020.