

Chapter 333

(House Bill 817)

AN ACT concerning

Regulations Affecting Small Businesses – Certification of Comparable Local Regulation

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

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

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

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

Article – State Government

2–1505.2.

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

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

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

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

- (i) minimal or no economic impact on small businesses; or
- (ii) meaningful economic impact on small businesses.

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

- (i) is independently owned and operated;
- (ii) is not dominant in its field; and
- (iii) employs 50 or fewer full-time employees.

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

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

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

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

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

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

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

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

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

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

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

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

(2) A CERTIFICATION STATING, AFTER POSTING THE REGULATION OR SCOPE OF THE REGULATION AS REQUIRED BY § 10-110(D)(3)(VII) OF THIS ARTICLE, WHETHER THE AGENCY HAS RECEIVED NOTICE OF WHETHER ANY EXISTING REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT.

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

- (i) other units of State government;
- (ii) units of local government; and
- (iii) business, trade, consumer, labor, and other groups impacted by or having an interest in the regulation.

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

(3) IF THE PROMULGATING UNIT CERTIFIES, AFTER POSTING THE REGULATION OR SCOPE OF THE REGULATION AS REQUIRED BY § 10-110(D)(3)(VII) OF THIS ARTICLE, THAT THE UNIT HAS RECEIVED NOTICE OF AND DETERMINED THAT AN EXISTING REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED REGULATION HAS BEEN ADOPTED BY ANY UNIT OF LOCAL GOVERNMENT, THE UNIT MAY INCLUDE IN THE UNIT'S PROPOSED REGULATION A STATEMENT THAT COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE COMPLIANCE WITH THE PROPOSED REGULATION.

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.