

**Department of Legislative Services**  
Maryland General Assembly  
2011 Session

**FISCAL AND POLICY NOTE**

House Bill 524 (Delegates Clagett and James)  
Health and Government Operations

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**Task Force to Review State Regulations**

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This bill establishes a Task Force to Review State Regulations. The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2011.

The bill takes effect June 1, 2011, and terminates May 31, 2012.

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**Fiscal Summary**

**State Effect:** Staff support and expense reimbursements for task force members are assumed to be minimal and absorbable with existing State resources of the Department of Business and Economic Development (DBED) and other principal departments of the Executive Branch. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force must:

- examine State regulations to identify how units of State government might better coordinate, simplify, and harmonize those regulations;
- identify actions that the State might take to achieve its regulatory goals while promoting innovation, reducing burdens, and maintaining flexibility and freedom of choice for the public; and

- consider how the State might best periodically undertake a retrospective analysis of its regulations to determine whether a regulation should be modified or repealed.

A member of the task force may not receive compensation for serving on the task force, but is entitled to reimbursement for expenses. DBED must coordinate with the heads of other principal departments of the Executive Branch to staff the task force.

**Current Law:** The Joint Committee on Administrative, Executive, and Legislative Review (AELR) is a statutory committee consisting of 20 members evenly divided between the House of Delegates and the Senate. The committee is charged with, among other responsibilities, reviewing regulations proposed or adopted by Executive Branch agencies and considering requests for emergency adoption of regulations.

The Regulatory Review and Evaluation Act established a system of executive and legislative evaluation to determine whether State regulations (1) continue to be both necessary for the public interest and supported by statutory authority and judicial opinions; or (2) are obsolete or otherwise appropriate for amendment or repeal. In accordance with the Act, the adopting authority for each State governmental unit must, every eight years, submit – to both the Governor and the AELR Committee – a schedule of regulations to be reviewed during the following eight years (unless a certificate of exemption is issued). Based on the schedules submitted, the Governor must, by executive order, schedule the review and evaluation of the regulations of each unit.

At least one year before the commencement of the review and evaluation of its regulations, each unit must submit a work plan to the Governor and the AELR Committee. Pursuant to this work plan, each unit must complete an evaluation report by the deadline established by the executive order. The evaluation report must contain:

- a list of any stakeholders and affected units invited to review the regulations and a summary of their participation and input;
- a description of the process used to solicit public comment and summaries of all comments received and responses given;
- a description of any interunit conflict reviewed and the resolution of that conflict;
- summaries of any relevant scientific data, information related to the regulations of other states or the federal government, or other information gathered by the unit; and
- summaries of any proposed amendments, repeal, or reorganization of the unit's regulations, and the reasons for each proposal.

The AELR Committee must review the evaluation report during a 60-day review period and may solicit public comment as well as submit its own comments and recommendations. Within 30 days of the termination of the review period, the unit must notify the committee of its agreement or disagreement with the committee's recommendations and attempt to resolve any disagreement. (If the committee submits no comments or if all disagreements are timely resolved, the report is deemed approved.) If any disagreement remains unresolved within 30 days of the termination of the review period, the unit must, within 30 days, submit the evaluation report to the Governor with an explanation of the disagreement and a statement of justification for the unit's position. The Governor subsequently must either approve the evaluation report (with or without modifications) or instruct the unit to modify the report. Within 120 days after an evaluation report is approved, the unit must propose for adoption any amendments to or repeal of its regulations that were summarized in the unit's evaluation report as approved.

**State Fiscal Effect:** DBED anticipates that contractual services may be needed to implement this bill. However, the Department of Legislative Services advises that the added responsibilities resulting from this legislation are relatively minimal and are not permanent. Accordingly, Legislative Services believes the task force can be established, meet, and prepare the required report by temporarily redirecting resources from other projects.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Business and Economic Development, Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2011  
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