

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1326
Economic Matters

(Delegate Mizeur, *et al.*)

Task Force to Improve the Business Climate in Maryland

This bill creates the Task Force to Improve the Business Climate in Maryland to (1) review and examine State laws and policies affecting the sustainability and growth of businesses in the State; (2) identify laws and policies affecting businesses that should be altered to enhance the State's business environment and eliminate unnecessary burdens; and (3) make recommendations regarding whether existing laws and policies relating to businesses could better serve the business community and the public. The Department of Business and Economic Development (DBED) must provide staff for the task force. The task force must report its findings and recommendations, including any proposed legislation, to the Governor and General Assembly by December 31, 2013.

The bill takes effect July 1, 2013, and terminates June 30, 2014.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for DBED are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: DBED maintains information on its website related to Maryland's business climate, including (1) resources for starting a business; (2) applicable laws and regulations; and (3) various business incentive programs. For

example, the Maryland Business License Information System helps business owners determine which State permits and licenses are required to operate their business.

According to a recent presentation by the Greater Baltimore Committee (GBC), which aggregated multiple “business climate” surveys conducted in 2012, Maryland’s business climate ranks between fifth and forty-first among all states. GBC noted that the range in the rankings is due to each survey’s subjectivity and the inconsistency in factors considered between the surveys. However, the presentation concluded that Maryland’s general areas of concern across the surveys included (1) high corporate and personal income tax rates; (2) high energy costs; and (3) a high cost of doing business. For example, Maryland’s corporate income tax rate is 8.25%, compared to 8.7% in Delaware, 6.0% in Virginia, 7.5% in West Virginia, 9.99% in Pennsylvania, and 9.975% in the District of Columbia.

A special House of Delegates Business Climate Workgroup was created in January 2013 to engage Maryland’s business community and make recommendations regarding future legislation to encourage private-sector investment in the Maryland economy. Specifically, the workgroup will (1) examine employment sectors in the State that are suitable for investment and innovation; (2) research new creative financing mechanisms to stimulate infrastructure development; (3) identify ways to improve regulatory streamlining, including capitalizing on existing programs; and (4) collaborate with DBED to inform the General Assembly on what assets exist and how best to promote Maryland as a good place for economic development.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, Greater Baltimore Committee, Department of Legislative Services

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mlm/rhh

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