

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 622

(Delegate Krimm)

Economic Matters

---

**Department of Economic Competitiveness and Commerce - Expansion of  
International Market Presence - Feasibility Study**

---

This bill requires the Department of Economic Competitiveness and Commerce (Department of Commerce, or DOC) to conduct, or hire a consultant to conduct, an assessment of the feasibility of expanding the international market presence of businesses in the State. The bill is contingent upon the receipt of funding to finance the study by the end of fiscal 2019. Within six months after receiving funding, DOC must report on the findings to the Governor and the General Assembly.

The bill takes effect July 1, 2016, and terminates June 30, 2019, if funding is not received to conduct the study.

---

**Fiscal Summary**

**State Effect:** The study is expected to cost at least \$100,000, which may be general, federal, and/or special fund expenditures. Federal and/or special fund revenues increase to the extent that DOC is able to secure a source of funding for the study that is not general funds. General fund revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

---

## Analysis

**Bill Summary:** The feasibility study must include:

- an analysis of the international market presence of businesses in the State, including an overview of current export sales, foreign trade offices, foreign trade shows, and targeted missions;
- an analysis of the international market presence of other states; and
- an assessment of the feasibility of expanding the international market presence of businesses in the State by (1) increasing exports to international markets of goods and services produced in the State; (2) raising awareness of existing export promotion programs; (3) facilitating greater access and usage of the State's ExportMD grant and FlexEx programs; (4) planning and executing foreign trade shows and targeted missions; and (5) expanding the current network of foreign trade offices.

The bill is contingent on the receipt of federal funding or funding from any other source to finance the feasibility study. DOC must notify the Department of Legislative Services (DLS) within 15 days after funding is received. If the notice is not received by DLS by June 30, 2019, the bill is null and void.

**Current Law/Background:** The Maryland Office of International Investment and Trade in DOC provides support to Maryland companies planning to enter new foreign markets or advance their export sales in their companies' existing foreign markets. The office maintains a network of nine international trade offices in China, Taiwan, France, the United Arab Emirates, Brazil, Nigeria, Israel, India, and Mexico with individuals who can provide advice on exporting. Services provided by the office include:

- providing international market and industry research;
- assisting Maryland companies in marketing their products and services abroad; and
- offering financial assistance to exporters via the ExportMD grant program.

The ExportMD program helps to offset some of the costs of marketing internationally for Maryland's small and mid-sized companies. Maryland companies that receive an ExportMD award are eligible for up to \$10,000 in reimbursement for expenses associated with an international marketing project and can also receive up to 40 hours of assistance from DOC's trade experts located in the nine countries listed above.

The FlexEx program offers Maryland companies up to 20 hours of assistance per year from DOC's trade experts. The program can be used for a range of services, including distributor or partner search, local partner vetting, market research, and assistance understanding local regulations. To be eligible, companies must have business operations in Maryland, and the requested assistance must be directly related to efforts to export products or services.

**State Fiscal Effect:** DOC advises that the study will cost at least \$100,000, which reflects the requirement that the study be completed within 6 months of receiving funding. DOC further advises that it will likely take at least 6 months to procure a consultant to conduct the study; thus, it will likely take 12 to 18 months from receipt of funding to complete the study.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Commerce, Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2016  
kb/rhh

---

Analysis by: Stephen M. Ross

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510