

SENATE BILL 1082

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CF HB 855

By: **Senator DeGrange**

Introduced and read first time: February 12, 2018

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **State Government – Regulations Impacting Small Businesses – Economic**
3 **Impact Analyses**

4 FOR the purpose of requiring the Office of Legislative Audits to conduct a performance
5 audit of certain units of State government periodically for certain purposes; requiring
6 the performance audit to evaluate the reliability and efficacy of certain actions of
7 certain units of State government; requiring certain units to make a certain
8 determination regarding certain local regulations; requiring that the units must
9 include a certain statement in certain proposed regulations; requiring the
10 Department of Budget and Management to provide certain training regarding
11 economic impact analyses to certain units; altering the period before a proposed
12 regulation is submitted to the Maryland Register and to the Joint Committee on
13 Administrative, Executive, and Legislative Review; requiring certain promulgating
14 units to establish a certain electronic registry for certain purposes; requiring a
15 promulgating unit to post a proposed regulation on the registry if the proposed
16 regulation has a significant small business impact; requiring a certain unit to notify
17 certain parties when a proposed regulation is posted on a certain electronic registry;
18 requiring a certain unit to post a proposed regulation on a certain electronic registry
19 by a certain date; requiring a certain unit to create a certain compliance guide to
20 assist small businesses in complying with a certain proposed regulation; establishing
21 certain conditions that must be considered and certain actions that may be taken by
22 a State unit in assessing a civil penalty against a small business for a violation of a
23 State statute or regulation; providing that certain State regulations supersede
24 certain local regulations under certain circumstances; requiring the Governor to
25 designate a certain unit to study certain matters and to submit a report to certain
26 committees of the General Assembly on or before a certain date; and generally
27 relating to regulations and small businesses in the State.

28 BY repealing and reenacting, with amendments,

29 Article – State Government

30 Section 2–1220, 2–1505.2(d) and (e), 10–110, 10–224(b), and 10–1001

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2014 Replacement Volume and 2017 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – State Government
5 Section 2–1505.2(a), (b), and (f) through (j) and 10–224(a)
6 Annotated Code of Maryland
7 (2014 Replacement Volume and 2017 Supplement)

8 BY adding to
9 Article – State Government
10 Section 2–1505.2(k)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2017 Supplement)

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

15 **Article – State Government**

16 2–1220.

17 (a) (1) In this subsection, “unit” includes each State department, agency, unit,
18 and program, including each clerk of court and each register of wills.

19 (2) (i) The Office of Legislative Audits shall conduct a fiscal/compliance
20 audit of each unit of the State government, except for units in the Legislative Branch.

21 (ii) The audit of each unit shall be conducted at an interval ranging
22 from 3 to 4 years unless the Legislative Auditor determines, on a case-by-case basis, that
23 more frequent audits are required.

24 (iii) In determining the audit interval for a unit, the Office of
25 Legislative Audits shall take into consideration:

26 1. the materiality and risk of the unit’s fiscal activities with
27 respect to the State’s fiscal activities;

28 2. the complexity of the unit’s fiscal structure; and

29 3. the nature and extent of audit findings in the unit’s prior
30 audit reports.

31 (iv) Each agency or program may be audited separately or as part of
32 a larger organizational unit of State government.

33 (3) Performance audits or financial statement audits shall be conducted

1 when authorized by the Legislative Auditor, when directed by the Joint Audit Committee
2 or the Executive Director, or when otherwise required by law.

3 (4) (i) In addition to the audits required under paragraph (2) of this
4 subsection, the Office of Legislative Audits may conduct a review when the objectives of the
5 work to be performed can be satisfactorily fulfilled without conducting an audit as
6 prescribed in § 2–1221 of this subtitle.

7 (ii) 1. The Office of Legislative Audits has the authority to
8 conduct a separate investigation of an act or allegation of fraud, waste, or abuse in the
9 obligation, expenditure, receipt, or use of State resources.

10 2. The Legislative Auditor shall determine whether an
11 investigation shall be conducted in conjunction with an audit undertaken in accordance
12 with this subsection or separately.

13 (5) If, on request of the Comptroller, the Joint Audit Committee so directs,
14 the Office of Legislative Audits shall audit or review a claim that has been presented to the
15 Comptroller for payment of an expenditure or disbursement and that is alleged to have
16 been made by or for an officer or unit of the State government.

17 (6) The Office of Legislative Audits shall conduct an audit or review to
18 determine the accuracy of information about or procedures of a unit of the State
19 government, as directed by the Joint Audit Committee or the Executive Director.

20 (b) If the General Assembly, by resolution, or the Joint Audit Committee so
21 directs, the Office of Legislative Audits shall conduct an audit or review of a corporation or
22 association to which the General Assembly has appropriated money or that has received
23 funds from an appropriation from the State Treasury.

24 (c) The Office of Legislative Audits may audit any county officer or unit that
25 collects State taxes.

26 (d) (1) The Office of Legislative Audits shall review any audit report prepared
27 under the authority of:

28 (i) §§ 16–305 through 16–308 of the Local Government Article, with
29 respect to a county, municipal corporation, or taxing district; or

30 (ii) § 16–315 of the Education Article, with respect to a community
31 college.

32 (2) The results of any review made by the Office of Legislative Audits under
33 paragraph (1) of this subsection shall be reported as provided in § 2–1224 of this subtitle.

34 **(E) BEGINNING NOT LATER THAN JUNE 30, 2019, AND AT LEAST ONCE**
35 **EVERY 3 YEARS THEREAFTER, THE OFFICE OF LEGISLATIVE AUDITS SHALL**

1 CONDUCT A PERFORMANCE AUDIT TO EVALUATE THE RELIABILITY AND EFFICACY
2 OF:

3 (1) THE ECONOMIC IMPACT ANALYSES REQUIRED UNDER §
4 2-1502.2(D) OF THIS TITLE;

5 (2) THE ACTIVITIES REQUIRED TO BE PERFORMED UNDER §
6 10-110(D)(3) OF THIS ARTICLE; AND

7 (3) THE EVALUATION REQUIRED TO BE CONDUCTED UNDER § 10-124
8 OF THIS ARTICLE.

9 [(e)] (F) (1) Except as provided in paragraph (4) of this subsection, at least
10 once every 6 years, the Office of Legislative Audits shall conduct an audit of each local
11 school system to evaluate the effectiveness and efficiency of the financial management
12 practices of the local school system.

13 (2) The audits may be performed concurrently or separately.

14 (3) The Office of Legislative Audits shall provide information regarding the
15 audit process to the local school system before the audit is conducted.

16 (4) (i) Subject to the limitation under subparagraph (ii) of this
17 paragraph, beginning in fiscal year 2017, a local school system shall be exempt from the
18 audit requirement under paragraph (1) of this subsection if the county governing body, the
19 county board of education, and the county delegation to the Maryland General Assembly
20 consisting of the county senators and delegates each submits a letter to the Joint Audit
21 Committee requesting an exemption on or before November 1 of fiscal year 2017, or on or
22 before November 1 of the last year of a 6-year audit cycle under paragraph (1) of this
23 subsection, as determined by the Office of Legislative Audits.

24 (ii) A local school system may not be exempt for two consecutive
25 6-year audit cycles.

26 (5) Notwithstanding paragraph (4) of this subsection, the Joint Audit
27 Committee may direct the Office of Legislative Audits to conduct an audit of a local school
28 system at any time.

29 [(f)] (G) (1) At least once every 4 years, the Office of Legislative Audits shall
30 conduct a performance audit of the Board of Liquor License Commissioners for Baltimore
31 City to evaluate the effectiveness and efficiency of the management practices of the Board
32 and of the economy with which the Board uses resources.

33 (2) At any time on request of the President and the Speaker, the Office
34 shall conduct a performance audit of the local licensing board, as defined in § 1-101 of the
35 Alcoholic Beverages Article, for a county or for the City of Annapolis to evaluate the

1 effectiveness and efficiency of the management practices of the board and of the economy
2 with which the board uses resources.

3 (3) The performance audit shall focus on operations relating to liquor
4 inspections, licensing, disciplinary procedures, and management oversight.

5 ~~[(g)]~~ (H) (1) Beginning on July 1, 2017, and at least once every 3 years
6 thereafter, the Office of Legislative Audits shall conduct a performance audit of the Board
7 of License Commissioners for Prince George's County to evaluate the effectiveness and
8 efficiency of the management practices of the Board and of the economy with which the
9 Board uses resources.

10 (2) The performance audit shall focus on operations relating to liquor
11 inspections, licensing, disciplinary procedures, and management oversight.

12 2-1505.2.

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

14 (2) "Committee" means the Joint Committee on Administrative, Executive,
15 and Legislative Review.

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

19 (4) "Economic impact analysis rating" means an estimate that a proposed
20 regulation will have:

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

22 (ii) meaningful economic impact on small businesses.

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

25 (i) is independently owned and operated;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 **(2) A DETERMINATION WHETHER ANY EXISTING REGULATION OF A**
19 **COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED**
20 **REGULATION HAS BEEN PROMULGATED BY A UNIT OF A LOCAL GOVERNMENT.**

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

24 (i) other units of State government;

25 (ii) units of local government; and

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

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

1 economic impact analysis.

2 **(3) IF THE PROMULGATING UNIT DETERMINES THAT AN EXISTING**
3 **REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE**
4 **PROPOSED REGULATION HAS BEEN PROMULGATED BY A UNIT OF A LOCAL**
5 **GOVERNMENT, THE UNIT MAY INCLUDE IN ITS PROPOSED REGULATION A**
6 **STATEMENT THAT COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE**
7 **COMPLIANCE WITH THE PROPOSED REGULATION.**

8 (f) The Department of Legislative Services shall:

9 (1) comment on the economic impact analysis rating and economic impact
10 analysis prepared by the appropriate Executive Branch agency; and

11 (2) transmit its comment to the Committee.

12 (g) The Department of Legislative Services shall revise the economic impact
13 analysis rating and economic impact analysis consistent with an amended version of a
14 regulation.

15 (h) (1) The Department of Legislative Services shall keep a copy of each
16 economic impact analysis rating and economic impact analysis for 3 years after preparation
17 of the rating or the analysis.

18 (2) The copies shall be reasonably available for public inspection.

19 (i) Economic impact analysis ratings and economic impact analyses shall be
20 published in the Maryland Register at the same time as:

21 (1) a notice of proposed adoption of a regulation is published in the
22 Maryland Register; or

23 (2) a notice of emergency adoption for a regulation is published in the
24 Maryland Register.

25 (j) The validity of an enactment of a regulation is not affected by the presence,
26 absence, or content of an economic impact analysis rating or an economic impact analysis.

27 **(K) (1) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL ENTER**
28 **INTO AN AGREEMENT WITH AN APPROPRIATE ENTITY TO PROVIDE TRAINING TO**
29 **PROMULGATING UNITS ON THE PREPARATION OF THE ECONOMIC ANALYSES**
30 **REQUIRED UNDER THIS SECTION.**

31 **(2) THE TRAINING REQUIRED TO BE PROVIDED UNDER PARAGRAPH**
32 **(1) OF THIS SUBSECTION SHALL BE PROVIDED AT LEAST ONCE EVERY 2 YEARS.**

1 10–110.

2 (a) Except for subsection (d) of this section, this section does not apply to a
3 regulation adopted under § 10–111(b) of this subtitle.

4 (b) At least 15 days before the date a proposed regulation is submitted to the
5 Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit
6 shall submit to the State Children’s Environmental Health and Protection Advisory
7 Council established under § 13–1503 of the Health – General Article for review any
8 proposed regulations identified by the promulgating unit as having an impact on
9 environmental hazards affecting the health of children.

10 (c) At least ~~[15]~~ **30** days before the date a proposed regulation is submitted to the
11 Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit
12 shall submit to the Advisory Council on the Impact of Regulations on Small Businesses
13 established under § 3–502 of the Economic Development Article for review each proposed
14 regulation and the estimated impact of the proposed regulation on small businesses
15 identified by the promulgating unit.

16 (d) (1) At least ~~[15]~~ **30** days before the date a proposed regulation is submitted
17 to the Maryland Register for publication under § 10–112 of this subtitle, the promulgating
18 unit shall submit the proposed regulation to the Committee and the Department of
19 Legislative Services.

20 (2) (i) If the proposed regulation, either in whole or in part, submitted
21 to the Committee and the Department of Legislative Services in accordance with paragraph
22 (1) of this subsection includes an increase or decrease in a fee for a license to practice any
23 business activity, business or health occupation, or business or health profession licensed
24 or otherwise regulated under State law, the promulgating unit shall include clearly written
25 explanatory reasons that justify the increase or decrease in the fee.

26 (ii) If a regulation submitted under subparagraph (i) of this
27 paragraph proposes an increase in a fee for a license, the written justification also shall
28 include information about:

29 1. the amount of money needed by the promulgating unit to
30 operate effectively or to eliminate an imbalance between the revenues and expenditures of
31 the unit;

32 2. the most recent year in which the promulgating unit had
33 last increased its fees;

34 3. the structure of the promulgating unit as to whether it is
35 one that retains the license fees it receives or passes them through to a national
36 organization or association that creates and administers a uniform licensing examination
37 that is taken by anyone in the United States who is seeking a license to practice a particular
38 occupation or profession or business activity issued by the promulgating unit;

1 4. measures taken by the promulgating unit to avoid or
2 mitigate the necessity of a fee increase and the results of those measures;

3 5. special circumstances about the activities and
4 responsibilities of the promulgating unit, including investigations of individuals licensed
5 by the unit, that have had an adverse impact on the unit's operating expenses;

6 6. consideration given by the promulgating unit to the
7 hardship a license fee increase may have on individuals and trainees licensed or regulated
8 by the unit; and

9 7. actions taken by the promulgating unit to elicit the
10 opinions of the individuals who are licensed by the promulgating unit and the members of
11 the public as to the effectiveness and performance of the promulgating unit.

12 (3) If the promulgating unit estimates that the proposed regulation will
13 have a significant small business impact, the unit shall:

14 (i) identify each provision in the proposed regulation that will have
15 a significant small business impact;

16 (ii) quantify or describe the range of potential costs of the proposed
17 regulation on small businesses in the State;

18 (iii) identify how many small businesses may be impacted by the
19 proposed regulation;

20 (iv) identify any alternative provisions the unit considered that may
21 have a less significant impact on small businesses in the State and the reason the
22 alternative was not proposed;

23 (v) identify the beneficial impacts of the regulation, including to
24 public health, safety, and welfare, or to the environment; [and]

25 **(VI) ESTABLISH AN ELECTRONIC REGISTRY THAT ALLOWS ANY**
26 **SMALL BUSINESS OR OTHER INTERESTED PARTY TO REGISTER TO RECEIVE AN**
27 **ELECTRONIC NOTIFICATION WHEN THE PROPOSED REGULATION IS POSTED ON THE**
28 **UNIT'S WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH;**

29 **(VII) POST THE PROPOSED REGULATION AND THE REGULATION'S**
30 **ESTIMATED SMALL BUSINESS IMPACT ON THE UNIT'S WEBSITE AT LEAST 15 DAYS**
31 **BEFORE THE DATE THE PROPOSED REGULATION IS SUBMITTED TO THE**
32 **COMMITTEE, THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE ADVISORY**
33 **COUNCIL IN ACCORDANCE WITH THIS SECTION, AND PROVIDE AN OPPORTUNITY**
34 **FOR COMMENTS TO THE UNIT'S PROPOSAL;**

1 (VIII) ON POSTING A PROPOSED REGULATION ON THE UNIT'S
2 WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH, NOTIFY THE
3 PARTIES REGISTERED IN THE ELECTRONIC REGISTRY ESTABLISHED UNDER ITEM
4 (VI) OF THIS PARAGRAPH THAT THE PROPOSED REGULATION HAS BEEN POSTED;

5 (IX) PREPARE A COMPLIANCE GUIDE WRITTEN IN CLEAR, PLAIN
6 ENGLISH TO ASSIST SMALL BUSINESSES IN COMPLYING WITH THE PROPOSED
7 REGULATION, UPDATE THE GUIDE AS NEEDED UNTIL THE REGULATION IS FINAL,
8 AND POST THE GUIDE ON THE UNIT'S WEBSITE; AND

9 [(vi)] (X) coordinate with the Advisory Council not later than the
10 date the proposed regulation is submitted to the Committee, the Department of Legislative
11 Services, and the Advisory Council in accordance with this section.

12 (e) (1) The Committee is not required to take any action with respect to a
13 proposed regulation submitted to it pursuant to subsection (d) of this section.

14 (2) Failure by the Committee to approve or disapprove the proposed
15 regulation during the period of preliminary review provided by subsection (d) of this section
16 may not be construed to mean that the Committee approves or disapproves the proposed
17 regulation.

18 (3) During the preliminary review period, the Committee may take any
19 action relating to the proposed regulation that the Committee is authorized to take under
20 §§ 10–111.1 and 10–112 of this subtitle.

21 (4) (i) If the Advisory Council submits to the Committee and the
22 Department of Legislative Services a written statement of its findings that a proposed
23 regulation will have a significant small business impact as required by § 3–505 of the
24 Economic Development Article, the Committee and the Department of Legislative Services
25 shall review the findings.

26 (ii) After notification that a proposed regulation will have a
27 significant small business impact, any member of the Committee may request a hearing on
28 the proposed regulation.

29 (iii) If a member requests a hearing, the Committee:

- 30 1. shall hold a hearing; and
31 2. may request that the promulgating unit delay adoption of
32 the regulation.

33 (f) Prior to the date specified in subsection (d) of this section, the promulgating
34 unit is encouraged to:

1 (1) submit the proposed regulation to the Committee and to consult with
2 the Committee concerning the form and content of that regulation; and

3 (2) submit the proposed regulation to the Advisory Council and to consult
4 with the Advisory Council concerning the estimated small business impact of the regulation
5 and ways to reduce the small business impact.

6 10-224.

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

8 (2) "Business" means a trade, professional activity, or other business that
9 is conducted for profit.

10 (3) "Nonprofit organization" means an organization that is exempt or
11 eligible for exemption from taxation under § 501(c)(3) of the Internal Revenue Code.

12 (b) This section applies only to:

13 (1) an agency operating statewide;

14 (2) a business that, on the date when the contested case or civil action is
15 initiated[:

16 (i) is independently owned and operated; and

17 (ii) has less than 50 employees, including, if a corporation owns 50%
18 or more of the stock of the business, each employee of the corporation], **MEETS THE**
19 **DEFINITION OF A SMALL BUSINESS UNDER § 2-1505.2 OF THIS ARTICLE**; and

20 (3) a nonprofit organization.

21 10-1001.

22 (a) In this section, "unit" means an officer or other entity in the Executive Branch.

23 (b) **(1)** Unless otherwise provided by statute or regulation, a unit of State
24 government authorized by law to impose a civil penalty up to a specific dollar amount for
25 violation of any statute or regulation shall consider the following in setting the amount of
26 the penalty:

27 **[(1)] (I)** the severity of the violation for which the penalty is to be
28 assessed;

29 **[(2)] (II)** the good faith of the violator; **[and]**

1 **[(3)] (III) any history of prior violations; AND**

2 **(IV) IF THE VIOLATOR MEETS THE DEFINITION OF A SMALL**
3 **BUSINESS UNDER § 2-1505.2 OF THIS ARTICLE, ADDITIONALLY CONSIDER:**

4 **1. WAIVING THE PENALTY IF THE VIOLATOR CORRECTS**
5 **THE VIOLATION WITHIN 30 DAYS AFTER THE FINDING OF THE VIOLATION;**

6 **2. DEPENDING ON THE VIOLATOR'S FINANCIAL**
7 **CAPACITY, IMPOSING A LESSER PENALTY THAN WOULD BE IMPOSED ON A LARGER**
8 **BUSINESS ENTITY IN A COMPARABLE INDUSTRY; OR**

9 **3. CREDITING THE COSTS OF CORRECTING THE**
10 **VIOLATION AGAINST THE PENALTY ASSESSED AGAINST THE VIOLATOR.**

11 **(2) PARAGRAPH (1)(IV) OF THIS SUBSECTION MAY NOT APPLY TO A**
12 **VIOLATOR THAT HAS BEEN THE SUBJECT OF MULTIPLE ENFORCEMENT ACTIONS BY**
13 **A STATE OR LOCAL UNIT THAT:**

14 **(I) INVOLVE WILLFUL OR CRIMINAL CONDUCT; OR**

15 **(II) POSE SERIOUS HEALTH, SAFETY, OR ENVIRONMENTAL**
16 **THREATS.**

17 **(C) (1) UNLESS OTHERWISE PROVIDED BY STATE LAW, IF A UNIT**
18 **PROMULGATES A REGULATION THAT HAS A SIGNIFICANT SMALL BUSINESS IMPACT,**
19 **AS DEFINED UNDER § 2-1505.2 OF THIS ARTICLE, AND THE REGULATION IS**
20 **COMPARABLE TO A REGULATION PROMULGATED BY A UNIT OF LOCAL**
21 **GOVERNMENT, THE STATE REGULATION SHALL SUPERSEDE ENFORCEMENT OF THE**
22 **LOCAL REGULATION.**

23 **(2) THE UNIT THAT PROMULGATES THE REGULATION SHALL**
24 **DETERMINE WHETHER A STATE REGULATION:**

25 **(I) HAS A SIGNIFICANT IMPACT ON SMALL BUSINESSES; AND**

26 **(II) IS COMPARABLE TO A LOCAL REGULATION.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That:

28 (a) The Governor shall designate an appropriate department, office, or other unit
29 to study:

1 (1) the feasibility, methods, and costs of requiring all State units to allow
2 small businesses to submit by electronic means any payments, forms, reports, or other
3 documentation required by regulation; and

4 (2) the ability of State agencies to collect and share information regarding
5 the impact of regulations on small businesses.

6 (b) The study shall include:

7 (1) assessing data currently collected by State agencies to determine if
8 necessary and appropriate information is being collected;

9 (2) analyzing the capabilities of State information technology systems to
10 provide aggregate data;

11 (3) reviewing and recommending appropriate amendments to State
12 statutes and regulations to identify legal limitations that may prevent State units from
13 sharing relevant information with other State units;

14 (4) providing recommendations for data-sharing agreements among State
15 units; and

16 (5) providing recommendations for adequate security measures for sharing
17 data among State units.

18 (c) On or before June 30, 2019, the designated unit shall report to the Governor
19 and, in accordance with § 2-1246 of the State Government Article, the Senate Finance
20 Committee and the House Economic Matters Committee on the results of the study and the
21 implementation of this Act.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2018.