

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1279 (Delegate Howard, *et al.*)
Health and Government Operations

State Agencies – Adoption of Regulations – Required

This bill prohibits a unit of State government, if required by law to adopt regulations to implement a program that is authorized or required under State law, from collecting any fee or other payment under that program until the unit finalizes adoption of the regulations that implement the program.

Fiscal Summary

State Effect: State revenues (all/multiple fund types) may decrease beginning in FY 2026 to the extent State agencies cannot collect fee revenue until any associated regulations are adopted. The bill is not anticipated to materially affect State expenditures.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law:

Adoption of Proposed Regulations – Generally

All proposed regulations are submitted to the Administrative, Executive, and Legislative (AELR) Committee for review at least 15 days before they are submitted to the *Maryland Register* for publication. Often changes are negotiated between AELR and the unit before publication. AELR is not required to give its explicit approval in order for a proposed regulation to become effective. In the usual course, the unit may adopt a proposed regulation 45 days after the regulation was published in the *Maryland Register*. Thirty of the 45 days must be reserved as a public comment period.

If AELR cannot complete its review of the proposed regulation within the 45-day period, it may delay, or “hold,” the adoption of the regulation. During this time, AELR may suggest to the unit that certain changes be made. If no agreement is reached, the unit may subsequently notify AELR of its intent to adopt the regulation despite AELR’s hold. The hold period ends on the later of the 60th day after the unit’s notice to the committee or the 105th day after the initial publication of the regulation in the *Maryland Register*.

At any time, AELR may formally vote to oppose the adoption of the regulation. In this case, notice of the opposition is sent to the Governor and the unit, and further negotiations ensue. The Governor may instruct the unit to withdraw or modify the regulation. However, once AELR has opposed the adoption of the regulation, it may not be adopted unless approved by the Governor.

Procedures for Emergency Regulations

Emergency regulations, which bypass the normal public notice and comment period, remain in effect for a limited period of time – not to exceed 180 days – to meet exigent circumstances. Although emergency regulations are not published in the *Maryland Register* before adoption, notice of AELR’s receipt of the regulation is posted on the Maryland General Assembly website. In addition, the agency submitting the request for adoption of emergency status must post the text of the regulations on the agency website within three business days of submission to AELR. If a member of AELR requests a public hearing on the emergency adoption of a regulation, AELR must hold the hearing. If no public hearing is requested, staff to AELR may poll members on the emergency regulation as soon as 10 business days after receipt of the regulation. Approval by AELR is required for an emergency regulation to take effect.

State Fiscal Effect: State revenues (all/multiple fund types) may decrease beginning in fiscal 2026 to the extent State agencies are unable to collect any fee revenue until associated regulations are adopted. Some agencies indicate that they already wait until regulations take effect before collecting fees, but others advise that the bill’s requirement may disrupt or delay future fee collections. However, as it is unknown how many programs require regulations to be adopted or the extent to which any fees may be established, the actual amount of any revenue decreases cannot be estimated.

The Maryland Department of Health advises that any fees established by emergency regulation may not satisfy the bill’s condition for the collection of fees until the unit finalizes the adoption of regulations, as “adoption” generally precludes any regulations promulgated by emergency regulation.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Emergency Management; Maryland Cannabis Administration; Maryland State Department of Education; Maryland Department of Agriculture; Maryland Department of the Environment; Maryland Department of Health; Department of Housing and Community Development; Department of Human Services; Maryland Department of Labor; Department of Natural Resources; Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Maryland Insurance Administration; Public Service Commission; Department of Legislative Services

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