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Ways and Means Committee

Education Subcommittee

Finance Resources Subcommittee



The Maryland House of Delegates  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 11<sup>th</sup>, 2020

House Economic Matters Committee  
Delegate Dereck Davis, Chairman  
6 Bladen Street, Room 231  
Annapolis, Maryland 21401-1991

**FWA HB804 – Workgroup to Study Maryland’s Emerging Digital Economy**

Dear Chairman Davis and Members of the Committee:

The world now stands on the cusp of a technological revolution. The manufacturing sector is going to move on from the 20<sup>th</sup> Century model of long production lines and heavy machinery. The 21<sup>st</sup> Century is going to be the century of artificial intelligence, robotics, 3-D printing, cyber-physical systems, cloud computing, real-time data, and digital technologies that will undoubtedly transform economic growth and human potential.

Maryland needs to be at the cutting edge of what is being called Industry 4.0. Our state needs to be prepared to lead the nation and even the world in a marriage of production and operations with smart digital technology, leading to a boost in productivity and growth.

This bill calls for the formation of a workgroup to study Maryland’s emerging digital economy. The original goal of the bill was quite aspirational and precipitated a very high fiscal note because the State Department of Commerce felt that it would need to engage a number of consultants to assist with the study. Advocates for this study sat down with a representative of the Department of Commerce and agreed to submit an amendment that would significantly narrow the scope of the study for the first year. An amendment accomplishing has been submitted to this Committee for its consideration.

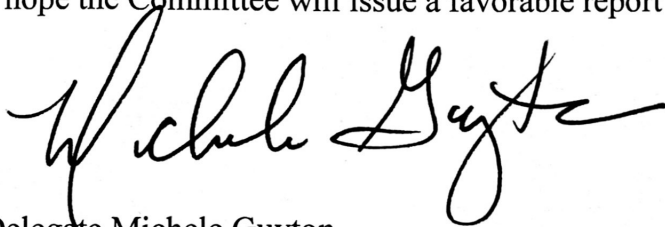
As amended, the topics to be covered by the study (in year one) will be limited to the subsections of the bill numbered 5, 6, 7, 13, 14 and 15 on pages 4 and 5 of the bill. Thus the workgroup will be charged with examining the significant report of the Massachusetts Institute of Technology entitled “The Work of the Future: Shaping Technology and Institutions”, examining existing financial resources available to manufacturers seeking to invest in Industry 4.0 technology, making recommendations to facilitate the State’s robust entry into this developing industry sector, examining new and viable tax credits and programs for Maryland manufacturers to be more

competitive and marketable in the new digital economy, and examining potential statutory and regulatory reforms.

The workgroup will be charged with reporting its initial findings and recommendations on or before June 30, 2021. Following the summation of the interim report, the workgroup will continue its tasks throughout the year and into 2022, covering the remaining portions of this bill that will be amended. During this time, the proponents of this bill will secure all or partial funding required to hire a consultant that will be critical to perform the additional work. On or before June 30<sup>th</sup>, 2022, the workgroup shall submit their final report to the General Assembly.

This bill is critical to position Maryland to be a national, even international, leader in the newly developing Industry 4.0.

I hope the Committee will issue a favorable report on this bill, as amended.

A handwritten signature in black ink, appearing to read "Michele Guyton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Delegate Michele Guyton