

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1248 (Delegate Conroy, *et al.*)
Economic Matters

Business Organizations - Right to Associate - Services and Membership

This bill requires a “business organization” that offers representation, advocacy, informational or other services regarding business issues to the members who pay fees or dues to provide free, identical services in the organization to any person who operates a business in the State. A business organization is defined as any person or organization that represents or advocates on behalf of any other person or group relating to business development issues and charges the person or group a membership fee or dues.

Fiscal Summary

State Effect: None. The bill does not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: Meaningful impact on business organizations as discussed below.

Fiscal Analysis

Small Business Effect: The bill’s requirements could significantly reduce revenues and increase expenditures for all business organizations that represent or advocate on behalf of any person or group relating to business development issues and charge the person or group a membership fee or dues in the State.

According to the Maryland Chamber of Commerce, there are 54 chambers of commerce in the State, in addition to hundreds of trade and professional organizations. The Maryland Chamber of Commerce advises that approximately 85% of chamber of commerce budgets come from membership dues. If fewer people paid dues as a result of this bill, these organizations would experience a decline in revenue. These organizations could also

experience significant increases in expenditures to meet the bill's requirement that all current member services be provided to all businesses in the State for free.

Information Source(s): Department of Labor, Licensing and Regulation, Maryland Chamber of Commerce

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