

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 849 (Delegates McClenahan and Glassman)
(Chairman, Task Force on Resource Based Industry in Maryland)
Environmental Matters Education, Health, and Environmental Affairs

Task Force on Resource Industry Business Development

This bill establishes a 28-member Task Force on Resource Industry Business Development. The bill describes the composition and duties of the task force and requires the task force to submit a report of its recommendations to the Governor and the General Assembly by September 30, 2003. The Department of Legislative Services (DLS), with the assistance of the Forum for Rural Maryland, must provide staff for the task force.

The bill takes effect June 1, 2002 and sunsets October 31, 2003.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for DLS are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force must: (1) establish an interagency workgroup and its charge; (2) study the current and anticipated needs for grants and loans for specific elements of rural business development; (3) consider the factors involved in, and investigate the feasibility of, the creation of a staff position to act as an information

clearinghouse, the creation or enhancement of a pool of grant funds for resource-based innovation and research, and the sponsorship of education and networking seminars to enhance the quality and quantity of economic development opportunities available to rural businesses; (4) develop specific recommendations for improving the economic development of resource-based industries and related innovation, information sharing, technology transfer, coordination, and business education and training; (5) monitor the performance and progress of State agencies in their service of resource-based industries; and (6) monitor relevant studies of rural-based industries. As necessary and appropriate, the task force may appoint ad hoc committees to assist the task force in any aspect of the development of resource industry business opportunities and markets.

Current Law: The Task Force on Resource Based Industry in Maryland, the predecessor to the task force established by the bill, terminated on January 31, 2002.

Background: Chapter 433 of 2000 established the 17-member Task Force on Resource Based Industry in Maryland. It was charged with examining the need for and the feasibility of establishing a financing development authority to assist Maryland's agriculture, fishing, forestry, and mining extraction industries. Specifically, the task force was required to: (1) consider the types of loans, financing, training, technical and business planning assistance services, and other programs that a financing development authority should implement; (2) consider the amount in which a financing development authority should be funded; and (3) consider whether the financing development authority should be an independent State government entity or be incorporated into an existing State government agency.

Chapter 196 of 2001 extended the task force through January 31, 2002, expanded the membership to 21 members, and required that the task force's final recommendations be based on a comprehensive interagency assessment of the needs of affected industries. During the 2001 interim, a workgroup of the task force sought and received permission to hire consultants to conduct such a needs assessment. Based on a survey of affected industries and related organizations, the consultants concluded that in today's rural economies there seems to be no compelling need for a new financing development authority at this time. However, the consultants made several recommendations to the task force, including:

- conduct a full scale economic impact study of resource-based industries;
- sponsor regular seminars to improve the network;
- identify or create a point person staff position for resource-based industries;
- enhance or create a pool of grant funds for research and development; and
- address the inclusion of resource-based industries in the charter of the Department of Business and Economic Development.

In its January 2002 report to the Governor and the General Assembly, the task force concluded that, based on the findings of the needs assessment, additional work related to the economic development of resource-based industries is needed. Accordingly, the task force recommended that it be extended and recharged to examine the current and anticipated economic development needs of resource-based industries and to develop related recommendations. To reflect this new charge, the task force recommended that it be renamed as the Task Force on Resource Industry Business Development. This bill is a direct result of the task force's recommendation.

Additional Information

Prior Introductions: None.

Cross File: SB 735 (Senators Middleton and Stoltzfus) (Chairman, Task Force on Resource Based Industry in Maryland) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of Agriculture, Department of Business and Economic Development, Department of Natural Resources, Forum for Rural Maryland, Department of Legislative Services

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Analysis by: Lesley Frymier

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510