

**HB1124/344838/1**

BY: Education, Health, and Environmental Affairs Committee

AMENDMENTS TO HOUSE BILL 1124  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “– Economic” in line 2 down through “Analyses” in line 3; strike beginning with “requiring” in line 4 down through “regulations;” in line 6; strike beginning with “altering” in line 8 down through “Review;” in line 10; in line 10, after “requiring” insert “a”; in the same line, strike “units” and substitute “unit”; strike beginning with “registry” in line 12 down through “has a” in line 13 and substitute “unit’s website by a certain date and provide an opportunity for certain comments if the promulgating unit estimates that the proposed regulation will have a certain”; in line 13, strike “certain” and substitute “promulgating”; in line 15, strike “a certain electronic registry” and substitute “the unit’s website”; strike beginning with “requiring” in line 15 down through “date;” in line 16; in line 16, strike “certain unit” and substitute “promulgating unit”; in line 17, strike “create” and substitute “prepare, update, and post on the unit’s website”.

On pages 1 and 2, strike beginning with “establishing” in line 18 on page 1 down through “date;” in line 3 on page 2 and substitute “repealing provisions of law relating to the Advisory Council on the Impact of Regulations on Small Businesses; repealing a requirement that a promulgating unit take certain actions if the promulgating unit estimates that a proposed regulation will have a certain significant small business impact; repealing provisions establishing the Advisory Council and its purpose; repealing provisions relating to the membership, chair, staffing, meetings, and duties of the Advisory Council; repealing certain reporting requirements; repealing certain definitions; making conforming changes; providing for the delayed effective date of certain provisions of this Act;”.

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On page 2, in line 7, strike the first comma and substitute “and”; in the same line, strike “, and (f) through (j)”; strike in their entirety lines 10 through 14, inclusive; and after line 19, insert:

“BY repealing and reenacting, with amendments,

Article - State Government

Section 10-101, 10-110(d), and 10-224(b)

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article - State Government

Section 10-110

Annotated Code of Maryland

(2014 Replacement Volume and 2018 Supplement)

(As enacted by Section 1 of this Act)

BY repealing

Article - Economic Development

Section 3-501 through 3-508 and the subtitle "Subtitle 5. Advisory Council on the  
Impact of Regulations on Small Businesses"

Annotated Code of Maryland

(2018 Replacement Volume)”.

AMENDMENT NO. 2

On pages 3 through 5, strike in their entirety the lines beginning with line 17 on page 3 through line 4 on page 5, inclusive.

On page 5, in line 7, strike “UNITS” and substitute “**EXECUTIVE BRANCH AGENCIES**”; in the same line, after “ECONOMIC” insert “**IMPACT**”; strike in their entirety lines 12 through 25, inclusive; in line 26, strike the brackets; and in the same line, strike “30”.

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On page 7, in line 4, after “**BUSINESS**” insert “, **NONPROFIT ORGANIZATION,**”; strike beginning with “**AND**” in line 9 down through “**IMPACT**” in line 10; in line 11, strike the comma and substitute “**AND**”; in line 12, strike “, **AND THE ADVISORY COUNCIL**”; in line 13, strike the comma; and in line 15, strike “**A**” and substitute “**THE**”.

On pages 7 and 8, strike in their entirety the lines beginning with line 28 on page 7 through line 19 on page 8, inclusive.

On page 9, strike in their entirety lines 5 through 29, inclusive; and in line 30, after “That” insert “the laws of Maryland read as follows”.

On page 10, strike in their entirety lines 1 through 23, inclusive, and substitute:

“Article – State Government

10–101.

(a) In this subtitle the following words have the meanings indicated.

(b) “Administrator” means the Administrator of the Division of State Documents.

[(c) “Advisory Council” means the Advisory Council on the Impact of Regulations on Small Businesses established under § 3–502 of the Economic Development Article.]

[(d)](C) “Committee” means the Joint Committee on Administrative, Executive, and Legislative Review.

[(e)](D) “Local government unit” means:

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(1) a county;

(2) a municipal corporation;

(3) a special district that is established by State law and that operates within a single county;

(4) a special district that is established by a county pursuant to public general law; or

(5) an office, board, or department that is established in each county under State law and that is funded, pursuant to State law, at least in part by the county governing body.

**[(f)] (E)** “Mandate” means a directive in a regulation that requires a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit.

**[(g)] (F)** “Register” means the Maryland Register.

**[(h)] (G)** (1) “Regulation” means a statement or an amendment or repeal of a statement that:

(i) has general application;

(ii) has future effect;

(iii) is adopted by a unit to:

1. detail or carry out a law that the unit administers;

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2. govern organization of the unit;
3. govern the procedure of the unit; or
4. govern practice before the unit; and

(iv) is in any form, including:

1. a guideline;
2. a rule;
3. a standard;
4. a statement of interpretation; or
5. a statement of policy.

(2) "Regulation" does not include:

(i) a statement that:

1. concerns only internal management of the unit; and
2. does not affect directly the rights of the public or the procedures available to the public;

(ii) a response of the unit to a petition for adoption of a regulation, under § 10–123 of this subtitle; or

(iii) a declaratory ruling of the unit as to a regulation, order, or statute, under Subtitle 3 of this title.

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(3) “Regulation”, as used in §§ 10–110 and 10–111.1 of this subtitle, means all or any portion of a regulation.

**[(i)] (1)** “Significant small business impact” means a determination by the Advisory Council that a proposed regulation is likely to have a meaningful effect on the revenues or profits of a significant number of small businesses or a significant percentage of small businesses within a single industry in the State.

(2) “Significant small business impact” does not include an impact resulting from a proposed regulation that is necessary to comply with federal law, unless the Advisory Council determines that the regulation is more stringent than federal law, in accordance with § 3–505 of the Economic Development Article.]

**[(j)] (H)** “Small business” has the meaning stated in § 2–1505.2 of this article.

**[(k)] (I)** “Substantively” means in a manner substantially affecting the rights, duties, or obligations of:

- (1) a member of a regulated group or profession; or
- (2) a member of the public.

**[(l)] (J)** “Unit” means an officer or unit authorized by law to adopt regulations.

10–110.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

[(vi)] (I) establish an electronic registry that allows any small business or other interested party to register to receive an electronic notification when the proposed regulation or the scope of the proposed regulation is posted on the unit's website in accordance with item [(vii)] (II) of this paragraph;

[(vii)] (II) post the proposed regulation or the scope of the proposed regulation on the unit's website at least 15 days before the date the proposed regulation is submitted to the Committee and the Department of Legislative Services in accordance with this section and provide an opportunity for comments on the unit's proposal;

[(viii)] (III) on posting a proposed regulation or the scope of the proposed regulation on the unit's website in accordance with item [(vii)] (II) of this paragraph, notify the parties registered in the electronic registry established under item

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[(vi)] (I) of this paragraph that the proposed regulation or the scope of the proposed regulation has been posted; AND

[(ix)] (IV) prepare a compliance guide written in clear, plain English to assist small businesses in complying with the proposed regulation, update the guide as needed until the regulation is final, and post the guide on the unit's website[; and

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

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

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

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

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

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

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

1. shall hold a hearing; and
2. may request that the promulgating unit delay adoption of the regulation.]

[(f)] (E) Prior to the date specified in subsection [(d)] (C) of this section, the promulgating unit is encouraged to[:

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

(2) submit the proposed regulation to the Advisory Council and to consult with the Advisory Council concerning the estimated small business impact of the regulation and ways to reduce the small business impact].”;

strike beginning with “this” in line 24 down through “2019” in line 25 and substitute “Section(s) 3–501 through 3–508 and the subtitle “Subtitle 5. Advisory Council on the Impact of Regulations on Small Businesses” of Article – Economic Development of the Annotated Code of Maryland be repealed”; and after line 25, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect October 1, 2021.

SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section 4 of this Act, this Act shall take effect July 1, 2019.”.