

**Department of Legislative Services**  
 Maryland General Assembly  
 2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 88 (The President)(By Request - Administration)  
 Education, Health, and Environmental Affairs  
 and Budget and Taxation

**Student Debt Relief Act of 2019**

This Administration bill establishes several initiatives intended to reduce student debt in the State, including (1) establishing the Maryland Promise Plus Scholarship; (2) creating a State income tax subtraction modification for 100% of the interest paid on a qualified student loan in the taxable year; and (3) expanding the existing college savings plan and Maryland Prepaid College Trust income tax subtraction modifications. **The bill takes effect July 1, 2019.**

**Fiscal Summary**

**State Effect:** General fund revenues decrease by \$10.3 million in FY 2020 due to additional education expenses deducted against the personal income tax. The Governor’s proposed FY 2020 operating budget assumes a \$13.0 million reduction in general fund revenues due to the tax incentives and includes \$8.0 million in general fund expenditures to establish the scholarship. Under the bill, general fund expenditures only increase by \$0.3 million in FY 2020 due to personnel and programming costs as the scholarship program begins in FY 2021. Future years reflect phase-ins specified by the bill, the projected amount of eligible expenses, \$8.0 million annually for scholarships, and ongoing expenses.

| (\$ in millions) | FY 2020  | FY 2021  | FY 2022  | FY 2023  | FY 2024  |
|------------------|----------|----------|----------|----------|----------|
| GF Revenue       | (\$10.3) | (\$21.6) | (\$22.5) | (\$23.4) | (\$24.1) |
| GF Expenditure   | \$0.3    | \$8.2    | \$8.1    | \$8.1    | \$8.1    |
| Net Effect       | (\$10.6) | (\$29.8) | (\$30.6) | (\$31.5) | (\$32.2) |

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local income tax revenues decrease by \$6.8 million in FY 2020 and \$15.9 million in FY 2024. Local expenditures are not affected.

**Small Business Effect:** The Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

## Analysis

### Bill Summary:

#### *Maryland Promise Plus Scholarship*

The purpose of the program is to provide tuition assistance for students to attend a public four-year institution in the State. A student must apply annually to the Maryland Higher Education Commission (MHEC) to receive a scholarship.

*Eligibility:* An applicant is eligible for a scholarship if the applicant:

- is eligible for in-state tuition;
- is a student at a community college in the State;
- has maintained a cumulative grade point average (GPA) of at least 2.5 on a 4.0 scale or the equivalent while a student at a community college in the State;
- will have earned an associate degree from a community college in the State by the end of the semester in which the applicant plans to transfer;
- has been accepted for admission to an eligible institution;
- intends to enroll at an eligible institution to complete a bachelor's degree program;
- in the case of an individual required to register with the Selective Service System, has complied with the registration requirement;
- has an annual adjusted gross income of at most (1) \$100,000 if the applicant is single or resides in a single-parent household or (2) \$150,000 if the applicant is married or resides in a two-parent household;
- enrolls in at least 12 credits per semester at the eligible institution; and
- timely submits a Free Application for Federal Student Aid (FAFSA) or any other application for State or federal student financial aid, other than a student loan, for which the applicant may qualify (except that a student who is ineligible to submit a FAFSA must qualify for in-state tuition under the Education Article); on request, the eligible institution must assist an applicant in submitting a FAFSA or any other application for State or federal student financial aid.

An applicant who receives any other education grants or scholarships that cover the applicant's full cost of attendance at the eligible institution is ineligible to receive an award. In addition, an applicant is ineligible to receive an award if the applicant either has earned a bachelor's degree or has earned an associate degree and is not a student at a community college in the State who intends to enroll at an eligible institution to complete a bachelor's degree program.

*Award Amounts:* Beginning in the 2020-2021 academic year, the annual scholarship award is capped at \$10,000 per recipient, or actual tuition, whichever is less. As defined in the bill, “tuition” includes all mandatory fees. Any student financial aid, other than a student loan, received by the recipient must be credited to the recipient’s tuition before the calculation of any award amount provided under this program. This is known as a “last dollar” scholarship.

*Priority for Awards:* Initial awards must be provided to recipients based on greatest demonstrated financial need. Priority for awards in subsequent years must be given to prior-year recipients who remain eligible for the program. Eligible applicants who do not receive an award under this program must be notified and placed on a waiting list.

*Service Obligation Requirement:* An award under this program may be made only if a recipient signs an agreement at the time of the initial award to (1) use an address in the State on the recipient’s State income tax return and commence full-time employment in the State within one year after completion of the bachelor’s degree program; (2) maintain employment in the State for at least one year for each year that the scholarship was awarded (and continue to use an address in the State); and (3) have the scholarship award converted to a student loan payable to the State if the recipient fails to fulfill the service obligation. If the recipient does not perform the service obligation, the scholarship award converts into a student loan. MHEC’s Office of Student Financial Assistance (OSFA) may waive or defer repayment of the student loan if the recipient provides satisfactory evidence of extenuating circumstances that prevent the recipient from fulfilling the service obligation.

*Length of Award:* Each recipient may hold the award until the earlier of three years after first enrolling as a candidate for a bachelor’s degree at an eligible institution or the date the individual is awarded a bachelor’s degree. OSFA may extend the duration of an award for an allowable interruption of study if the recipient provides to OSFA satisfactory evidence of extenuating circumstances that prevent the recipient from continuous enrollment.

*Continued Eligibility:* Each recipient may hold the award only if the recipient:

- continues to be eligible for in-state tuition;
- continues to enroll in and complete at least 12 credits per semester or the equivalent as determined by OSFA;
- maintains a cumulative GPA of at least 2.5 on a 4.0 scale or the equivalent for the remainder of the award or, failing to do so, provides to OSFA satisfactory evidence of extenuating circumstances;
- makes satisfactory progress toward a bachelor’s degree;
- continues to meet the income limitations for the award; and
- continues to timely submit a FAFSA application or an application for State student financial aid.

*Maryland Higher Education Commission Duties:* Beginning in fiscal 2021, subject to the availability of funds in the State budget for MHEC, MHEC must distribute funds for the scholarship. MHEC has additional duties under the bill; specifically, MHEC must adopt regulations necessary to implement the Promise Plus Scholarship, including the terms and conditions for repayment of any award amount that is converted to a loan. By December 1, 2020, and each December thereafter, MHEC must report on the implementation of the scholarship program as specified.

*Student Loan Interest Deduction*

The bill creates a subtraction modification against the State income tax equal to the interest paid on a qualified student loan in the taxable year. The subtraction modification is equal to 50% of the interest paid in tax year 2019 and 100% in tax year 2020 and beyond. To qualify, the student loan must be incurred to attend and receive an associate, baccalaureate, or graduate level degree from an institution of higher education. The Comptroller must adopt regulations to implement the bill and specify the documentation necessary to claim the subtraction.

As shown in **Exhibit 1**, the full deduction is available to those taxpayers with a federal adjusted gross income (FAGI) of \$91,000 or less (\$141,000 or less if married filing jointly) and phases out for incomes between \$91,000 and \$100,000 (\$141,000 and \$150,000 if married filing jointly). No deduction is allowed for taxpayers with a FAGI of over \$100,000 (\$150,000 if married filing jointly).

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**Exhibit 1**  
**Student Loan Interest Deduction**  
**Eligibility and Phase-out by Federal Adjusted Gross Income**

|                         | <u><b>Individuals</b></u> | <u><b>Joint Returns</b></u> |
|-------------------------|---------------------------|-----------------------------|
| Full Deduction          | \$91,000 or less          | \$141,000 or less           |
| Deduction Phases Out    | \$91,001-\$100,000        | \$141,001-\$150,000         |
| Phased Out/No Deduction | Over \$100,000            | Over \$150,000              |

Source: Department of Legislative Services

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A taxpayer who qualifies can also claim other education tax benefits, including the federal student loan interest deduction and State student loan debt relief tax credit.

## *College Savings Plans*

The bill expands the college savings plan and Maryland Prepaid College Trust income tax subtraction modifications by increasing their value to \$3,750 in tax year 2019 and \$5,000 beginning in tax year 2020. The increased value phases out at the same thresholds as the student loan interest deduction, as shown in **Exhibit 2**.

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**Exhibit 2**  
**College Investment Plans**  
**Eligibility and Phase-out by Federal Adjusted Gross Income**  
**Beginning Tax Year 2020**

| <u>Deduction Amount</u> | <u>Individuals</u> | <u>Joint Returns</u> |
|-------------------------|--------------------|----------------------|
| \$5,000                 | \$91,000 or less   | \$141,000 or less    |
| \$3,750*                | \$91,001-\$99,999  | \$141,001-\$149,999  |
| \$2,500                 | \$100,000 and Over | \$150,000 and Over   |

\*The value of the deduction phases out as income rises; \$3,750 is average value for these taxpayers.

Source: Department of Legislative Services

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### **Current Law:**

#### *2+2 Transfer Scholarship*

Chapter 339 of 2014 established the 2+2 Transfer Scholarship Program for students who earn an associate's degree at a Maryland community college and transfer to a public senior or private nonprofit higher education institution in the State (both commonly referred to as four-year institutions).

The eligibility requirements for the 2+2 Transfer Scholarship are similar to those for the Maryland Promise Plus Scholarship established by the bill. However, to be eligible for a 2+2 Transfer Scholarship, an applicant must be a resident of the State and have demonstrated financial need, defined by a federally calculated expected family contribution of \$10,000 or less as reported on the student's FAFSA. Further, there is no service obligation for the 2+2 Transfer Scholarship.

In general, the annual amount of a 2+2 Transfer Scholarship is \$1,000. However, for a student who enrolled in a science, teaching, engineering, computer science, mathematics, or nursing program, the annual award amount is \$2,000.

To retain a 2+2 Transfer Scholarship, a recipient must remain a State resident, continue to be enrolled in an eligible program, maintain a 2.5 GPA or provide evidence of extenuating circumstances, and maintain the standards of the institution.

Funding for the 2+2 Transfer Scholarship program is as provided in the State budget. If the State budget does not include at least \$2.0 million for the scholarship in any fiscal year, funds must be transferred from the Need-Based Student Financial Assistance Fund in an amount that provides a total of at least \$2.0 million to make awards. The Governor's proposed fiscal 2020 budget includes \$8.3 million combined for the Maryland Promise Plus Scholarship and the 2+2 Transfer Scholarship.

For the 2017-2018 academic year, a total of 860 students completed an initial application for a 2+2 Transfer Scholarship. Out of those applications, 415 were incomplete, 121 were awarded and paid, 321 were ineligible, and 3 remained on the waiting list and were not awarded due to lack of funds. In addition, MHEC awarded 138 renewal scholarships. Overall, for the 2017-2018 academic year, MHEC awarded a total of 259 2+2 Transfer Scholarships at a total cost of \$364,500.

#### *Maryland Promise Scholarship*

Chapter 554 of 2018 established, beginning in the 2019-2020 academic year, a Maryland Community College Promise Scholarships Program for eligible applicants. The first scholarships have not yet been awarded. As mandated, the Governor's proposed fiscal 2020 budget includes \$15.0 million for MHEC to disburse the scholarship.

A Maryland Promise Scholarship award may be at most \$5,000 annually per recipient, or actual tuition, whichever is less. The income eligibility requirements for the Maryland Promise Scholarship are the same as those for the Maryland Promise Plus Scholarship established by the bill. Further, there are a number of additional eligibility requirements, including having an overall 2.3 high school GPA. As for the Maryland Promise Plus Scholarship, there is a service obligation of one year of work in the State per year of award. If the service obligation is not completed, the scholarship converts to a loan.

#### *Federal Tax Benefits and 529 Plans*

Qualified tuition plans, also known as 529 plans, are state programs that allow an individual to either prepay or contribute to an account established for paying a student's qualified higher education expenses. Accounts and plans must satisfy the income tax and transfer rules established under Section 529 of the Internal Revenue Code (IRC).

Contributions are not deductible for federal tax purposes; however, amounts deposited in the account grow tax free and distributions are not subject to federal or state taxes if the distributions are used for the qualified higher education expense of a beneficiary. These tax advantages are similar to the federal tax treatment of Roth IRAs.

The federal Tax Cuts and Jobs Act of 2017 (Public Law 115-97) was signed into law on December 22, 2017, and expands the permissible use of 529 plans by amending “qualified higher education expense” to include expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. An account holder can withdrawal up to \$10,000 in each year for expenses associated with enrollment at these schools. The federal Act applies to distributions made after December 31, 2017.

### *Maryland 529 Plans and State Tax Benefits*

The College Savings Plans of Maryland Board currently operates two qualified tuition plans: the Maryland Senator Edward J. Kasemeyer Prepaid College Trust and the Maryland Senator Edward J. Kasemeyer College Investment Plan. Chapter 548 of 2008 authorized the board to establish a third plan, the Maryland Broker-Dealer College Investment Plan, but the board has yet to do so. The Maryland Prepaid College Trust currently operates plans for 12 institutions under the University System of Maryland, Morgan State University, and St. Mary’s College of Maryland.

In addition to the federal tax benefits available to 529 plans, the State allows a person to claim a subtraction modification for the advanced amount of tuition payments made to the Maryland Prepaid College Trust or amount contributed to the Maryland College Investment Plan. The subtraction modification claimed by a taxpayer may not exceed \$2,500 for each contract purchased (Maryland Prepaid College Trust) or \$2,500 per beneficiary (Maryland College Investment Plan). This limitation is increased to \$5,000 for married individuals who file jointly if each spouse contributes to a plan.

Any unused amount of the subtraction modification can be carried forward to future tax years until the full amount of the excess is used under the Maryland Prepaid College Trust and up to 10 tax years for contributions to the Maryland College Investment Plan.

An investment plan account holder is not eligible for the subtraction modification for contributions to an investment account in any year in which the account holder receives funds under the State Contribution Program.

### *Student Loan Interest Deduction*

Certain interest paid on student loans may qualify for a federal income tax deduction. Maryland generally conforms to federal tax law, so any amount deducted under federal law

flows through for Maryland income tax purposes. Section 221 of the IRC allows a deduction of up to \$2,500 of the student loan interest paid during the year on a qualified student loan. A taxpayer is not required to itemize deductions in order to claim the deduction. A qualified student loan is one that is used to pay for the qualified education expenses of attending an eligible educational institution, including graduate school. An eligible educational institution is any college, university, vocational school, or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S. Department of Education. It includes virtually all accredited public, nonprofit, and for-profit postsecondary institutions. An eligible educational institution also includes an institution conducting an internship or residency program leading to a degree or certificate from an institution of higher education, a hospital, or a health care facility that offers postgraduate training.

The deduction begins to phase out for taxpayers with modified adjusted gross income in excess of \$65,000 (\$130,000 for joint returns) and is completely phased out for taxpayers with modified adjusted gross income of \$80,000 or more (\$160,000 or more for joint returns). Taxpayers who file married filing separately or who are claimed as dependents do not qualify. Student loan interest that is paid from certain tax-free distributions, including qualified tuition plans or repayment assistance programs, is not eligible for the deduction. In tax year 2016, 224,690 Maryland taxpayers qualified for the federal benefit and deducted a total of \$246.5 million in eligible student loan interest, or an average of about \$1,092 per return. The amount deducted was about \$35.0 million more or about one-third higher than the amount deducted in tax year 2011.

*Publication 970* of the Internal Revenue Service outlines the available federal tax benefits for education expenses, including the favorable tax treatment of certain:

- scholarships, grants, and tuition reductions;
- canceled student loans;
- student loan repayment assistance;
- tuition and fees;
- education savings accounts;
- qualified tuition programs;
- early distributions from any type of individual retirement arrangement used for education costs;
- use of savings bonds for education costs; and
- employer-provided educational benefits.

Maryland generally conforms to the federal tax treatment of these benefits, except for the federal deduction for qualified tuition and related expenses. Taxpayers who claim the



federal deduction are required to add back the amount deducted when calculating Maryland adjusted gross income.

**Background:** Despite many actions to increase college affordability in Maryland, student loan debt (an indicator of college affordability) continues to grow. According to the Project on Student Debt, about 56% of the Class of 2017 who graduated from public and private nonprofit colleges in Maryland had student loan debt. These borrowers owed an average of \$29,314. However, this data is incomplete; there is only usable data from 64% of graduates at Maryland schools.

According to another indicator of college affordability found in the Maryland budget books, in fiscal 2018, 43.1% of students with household income at or below 40% of median household income had unmet need when attending a Maryland institution of higher education. Unmet need is the difference between the student's total cost of attendance, which includes tuition, fees, room, board, books, transportation, personal and miscellaneous costs, and financial aid. Although a significant portion of a student's total cost of attendance is expenses other than tuition and fees, some types of student financial aid are restricted to tuition and fees.

#### *Student Loan Debt Relief Tax Credit*

The Student Loan Debt Relief Tax Credit established a refundable tax credit of up to \$5,000 for qualified student loans to Maryland residents beginning in tax year 2017. Qualifying taxpayers must have had at least \$20,000 in total undergraduate student loan debt and have a remaining balance of at least \$5,000, and recipients must use the credit within two years to pay down the student loan. The Maryland Higher Education Commission (MHEC) was initially authorized to approve \$5.0 million of tax credits annually. Chapter 382 of 2018 expanded the types of qualifying debt to include debt incurred for graduate school, and Chapter 419 of 2018 increased the total amount of credits that can be awarded to \$9.0 million annually.

In the first year of the program, tax year 2017, MHEC received 4,988 applications, of which 4,422 qualified for the program. MHEC awarded a tax credit of \$1,201 to each of 2,881 applicants who qualified for in-State tuition and a tax credit of \$1,000 to the other 1,541 applicants. For the second year of the program, MHEC received 10,113 applications, which is more than double the number of applications from the previous year. MHEC awarded a tax credit of \$1,000 to each of the 5,231 applicants who qualified for in-state tuition and a tax credit of \$883 to the other 4,259 qualified applicants. MHEC did not award a tax credit in 2018 to any individual who received the tax credit in 2017.

**State Revenues:** The bill (1) creates a State income tax subtraction modification for 100% of the interest paid on a qualified student loan in the taxable year and (2) expands from

\$2,500 to \$5,000 the maximum value of the college savings plan and Maryland Prepaid College Trust income tax subtraction modifications. The proposed incentives are phased in over two years beginning with tax year 2019 and are available to taxpayers with a federal adjusted gross income of \$100,000 or less (\$150,000 or less if married filing jointly).

Based on the requirements of the bill, general fund revenues decrease by an estimated \$10.3 million in fiscal 2020. **Exhibit 3** shows for, each provision, the estimated impact of the bill on State and local revenues.

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**Exhibit 3**  
**State and Local Revenue Impacts**  
**Fiscal 2020-2024**  
**(\$ in Millions)**

|                       | <b><u>FY 2020</u></b> | <b><u>FY 2021</u></b> | <b><u>FY 2022</u></b> | <b><u>FY 2023</u></b> | <b><u>FY 2024</u></b> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b><u>State</u></b>   |                       |                       |                       |                       |                       |
| Student Loan Interest | (\$9.4)               | (\$19.4)              | (\$20.2)              | (\$21.0)              | (\$21.6)              |
| College Savings Plans | (0.9)                 | (2.2)                 | (2.3)                 | (2.4)                 | (2.5)                 |
| <b>Total</b>          | <b>(\$10.3)</b>       | <b>(\$21.6)</b>       | <b>(\$22.5)</b>       | <b>(\$23.4)</b>       | <b>(\$24.1)</b>       |
| <b><u>Local</u></b>   |                       |                       |                       |                       |                       |
| Student Loan Interest | (\$6.2)               | (\$12.9)              | (\$13.4)              | (\$13.9)              | (\$14.3)              |
| College Savings Plans | (0.6)                 | (1.4)                 | (1.5)                 | (1.5)                 | (1.6)                 |
| <b>Total</b>          | <b>(\$6.8)</b>        | <b>(\$14.3)</b>       | <b>(\$14.8)</b>       | <b>(\$15.4)</b>       | <b>(\$15.9)</b>       |
| <b>Total Revenues</b> | <b>(\$17.2)</b>       | <b>(\$35.9)</b>       | <b>(\$37.3)</b>       | <b>(\$38.8)</b>       | <b>(\$40.0)</b>       |

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services

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**State Expenditures:** As explained below, general fund expenditures increase by a total of \$277,186 in fiscal 2020 due to personnel costs and one-time programming costs in the Comptroller's Office and MHEC. Expenditures increase further beginning in fiscal 2021 to award Promise Plus Scholarships.

*Comptroller's Office*

The Comptroller's Office advises it incurs additional costs beginning in fiscal 2020 for one revenue examiner and programming expenses. As a result, general fund expenditures

increase by \$110,088 in fiscal 2020, which reflects a January 1, 2020, hiring date. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

|  |                  |
|--|------------------|
| Position   | 1.0              |
| Salary and Fringe Benefits                       | \$29,885         |
| Operating Expenses                               | 5,203            |
| Programming Expenditures                         | <u>75,000</u>    |
| <b>Comptroller's Office FY 2020 Expenditures</b> | <b>\$110,088</b> |

Future year expenditures reflect a full salary with annual increases and employee turnover as well as ongoing operating expenses.

*Maryland Higher Education Commission*

MHEC general fund expenditures increase by a total of \$167,098 in fiscal 2020. This estimate reflects the cost of hiring one full-time administrative specialist to administer the Maryland Promise Plus Scholarship and accounts for a 90-day start-up delay following the bill's July 1, 2019 effective date. It includes a salary, fringe benefits, one-time start-up costs, programming expenditures for the Maryland Promise Plus Scholarship, and ongoing operating expenses.

The Governor's proposed fiscal 2020 operating budget includes \$8.0 million to establish the scholarship; however, the bill does not require MHEC to distribute the scholarship until the 2020-2021 academic year (fiscal 2021). Thus, this estimate assumes that the scholarship is distributed beginning in fiscal 2021 as stipulated in the bill.

General fund expenditures increase by \$118,000 in fiscal 2020 for one-time contractual costs associated with enhancements to MHEC's scholarship system, known as the Maryland College Aid Processing System (MDCAPS), necessitated by the bill. MHEC advises that the scholarship system must be upgraded to add the Maryland Promise Plus Scholarship. It is assumed that the programming is completed during fiscal 2020 so that scholarship awards can be made for fiscal 2021.

|                                  |                  |
|----------------------------------|------------------|
| Position                         | 1.0              |
| Salary and Fringe Benefits       | \$43,739         |
| Operating Expenses               | 5,359            |
| MDCAPS Programming Expenditures  | <u>118,000</u>   |
| <b>MHEC FY 2020 Expenditures</b> | <b>\$167,098</b> |

Future year expenditures reflect a full salary with annual increases and employee turnover as well as ongoing operating expenses and funding for the Promise Plus Scholarship. It is assumed that the scholarship is funded at \$8.0 million annually beginning in fiscal 2021

based on the amount included in the Governor’s proposed budget for fiscal 2020; however, no amount is specified in the bill.

*Public Institutions of Higher Education*

Public four-year institutions of higher education can help students complete the FAFSA upon request using existing resources. It is assumed that the bill does not materially impact the number of students enrolled in public four-year institutions or community colleges. Thus, it is assumed that public four-year institution and community college revenues and expenditures are not materially affected.

**Local Revenues:** Local income tax revenues decrease as a result of additional subtraction modification and deduction amounts claimed. Local revenues decrease by \$6.8 million in fiscal 2020 and \$15.9 million in fiscal 2024, as shown in Exhibit 3.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 41 (The Speaker)(By Request - Administration) - Appropriations and Ways and Means.

**Information Source(s):** Comptroller’s Office; Maryland Higher Education Commission; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary’s College of Maryland; College Savings Plans of Maryland; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2019  
mag/rhh

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# ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Student Debt Relief Act of 2019**

BILL NUMBER: SB 88/HB 41

PREPARED BY: Governor's Legislative Office

## PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

## PART B. ECONOMIC IMPACT ANALYSIS