

## Chapter 212

## (House Bill 1124)

AN ACT concerning

**State Government – Regulations Impacting Small Businesses –~~Economic~~  
Impact Analyses**

FOR the purpose of ~~requiring certain units to make a certain certification regarding certain local regulations; requiring that the units must include a certain statement in certain proposed regulations; requiring the Department of Budget and Management to provide certain training regarding economic impact analyses to certain units; altering the period before a proposed regulation is submitted to the Maryland Register and to the Joint Committee on Administrative, Executive, and Legislative Review; requiring a certain promulgating unit to establish a certain electronic registry for certain purposes; requiring a promulgating unit to post a proposed regulation or the scope of a proposed regulation on the registry if the proposed regulation has a 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 significant small business impact; requiring a certain promulgating unit to notify certain parties when a proposed regulation or the scope of a proposed regulation is posted on a certain electronic registry the unit's website; requiring a certain unit to post a proposed regulation on a certain electronic registry by a certain date; requiring a certain unit promulgating unit to create prepare, update, and post on the unit's website a certain compliance guide to assist small businesses in complying with a certain proposed regulation; establishing certain conditions that must be considered and certain actions that may be taken by a State unit in assessing a civil penalty against a small business for a violation of a State statute or regulation; requiring the Governor to designate a certain unit to study certain matters and to submit a report to certain committees of the General Assembly on or before a certain date; 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; and generally relating to regulations and small businesses in the State.~~

BY repealing and reenacting, without amendments,  
 Article – State Government  
 Section 2–1505.2(a), ~~and (b), and (f) through (j)~~ and 10–224(a)  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2018 Supplement)

~~BY repealing and reenacting, with amendments,  
 Article – State Government  
 Section 2–1505.2(d) and (e), 10–110, 10–224(b), and 10–1001  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2018 Supplement)~~

BY adding to  
 Article – State Government  
 Section 2–1505.2(k)  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2018 Supplement)

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)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – State Government**

2–1505.2.

(a) (1) In this section the following words have the meanings indicated.

(2) “Committee” means the Joint Committee on Administrative, Executive, and Legislative Review.

(3) “Economic impact analysis” means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this article.

(4) “Economic impact analysis rating” means an estimate that a proposed regulation will have:

- (i) minimal or no economic impact on small businesses; or
- (ii) meaningful economic impact on small businesses.

(5) “Small business” means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that:

- (i) is independently owned and operated;
- (ii) is not dominant in its field; and
- (iii) employs 50 or fewer full-time employees.

(b) (1) An economic impact analysis rating and an economic impact analysis, as appropriate, shall be prepared by the appropriate Executive Branch agency for each regulation that the agency proposes for adoption pursuant to Title 10, Subtitle 1 of this article.

(2) A copy of the economic impact analysis rating and the economic impact analysis required under this subsection shall be submitted by the appropriate agency:

(i) to the Department of Legislative Services no later than the time the agency submits the regulation to the Committee to allow the Department to comment on the economic impact analysis rating and the economic impact analysis; and

(ii) to the Committee at the time the agency submits the regulation to the Committee.

~~(d) The economic impact analysis rating and the economic impact analysis required under this section shall include:~~

~~(1) estimates directly relating to the following factors, as appropriate:~~

~~[(1)] (I) cost of providing goods and services;~~

~~[(2)] (II) effect on the workforce;~~

~~[(3)] (III) effect on the cost of housing;~~

~~[(4)] (IV) efficiency in production and marketing;~~

~~[(5)] (V) capital investment, taxation, competition, and economic development; and~~

~~[(6)] (VI) consumer choice; AND~~

~~(2) A CERTIFICATION STATING WHETHER ANY EXISTING REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT.~~

~~(e) (1) The Executive Branch agency or the Department of Legislative Services preparing the economic impact analysis rating and the economic impact analysis required under this section shall consult with, as appropriate:~~

~~(i) other units of State government;~~

~~(ii) units of local government; and~~

~~(iii) business, trade, consumer, labor, and other groups impacted by or having an interest in the regulation.~~

~~(2) On request of the Executive Director of the Department of Legislative Services, a unit of the State or a local government shall provide the Department with assistance or information in the preparation of an economic impact analysis rating and economic impact analysis.~~

~~(3) IF THE PROMULGATING UNIT CERTIFIES THAT AN EXISTING REGULATION OF A COMPARABLE NATURE THAT IS AT LEAST AS STRINGENT AS THE PROPOSED REGULATION HAS BEEN ADOPTED BY A UNIT OF A LOCAL GOVERNMENT, THE UNIT MAY INCLUDE IN ITS PROPOSED REGULATION A STATEMENT THAT COMPLIANCE WITH THE LOCAL REGULATION WILL CONSTITUTE COMPLIANCE WITH THE PROPOSED REGULATION.~~

~~(f) The Department of Legislative Services shall:~~

~~(1) comment on the economic impact analysis rating and economic impact analysis prepared by the appropriate Executive Branch agency; and~~

~~(2) transmit its comment to the Committee.~~

~~(g) The Department of Legislative Services shall revise the economic impact analysis rating and economic impact analysis consistent with an amended version of a regulation.~~

~~(h) (1) The Department of Legislative Services shall keep a copy of each economic impact analysis rating and economic impact analysis for 3 years after preparation of the rating or the analysis.~~

~~(2) The copies shall be reasonably available for public inspection.~~

~~(i) Economic impact analysis ratings and economic impact analyses shall be published in the Maryland Register at the same time as:~~

~~(1) a notice of proposed adoption of a regulation is published in the Maryland Register; or~~

~~(2) a notice of emergency adoption for a regulation is published in the Maryland Register.~~

~~(j) The validity of an enactment of a regulation is not affected by the presence, absence, or content of an economic impact analysis rating or an economic impact analysis.~~

**(K) (1) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL ENTER INTO AN AGREEMENT WITH AN APPROPRIATE ENTITY TO PROVIDE TRAINING TO PROMULGATING UNITS *EXECUTIVE BRANCH AGENCIES* ON THE PREPARATION OF THE ECONOMIC *IMPACT* ANALYSES REQUIRED UNDER THIS SECTION.**

**(2) THE TRAINING REQUIRED TO BE PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED AT LEAST ONCE EVERY 2 YEARS.**

10-110.

~~(a) Except for subsection (d) of this section, this section does not apply to a regulation adopted under § 10-111(b) of this subtitle.~~

~~(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.~~

~~(e) At least [15] 30 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) (1) At least ~~15~~<sup>30</sup> 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:

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:

- (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; [and]

**(VI) ESTABLISH AN ELECTRONIC REGISTRY THAT ALLOWS ANY SMALL BUSINESS, NONPROFIT ORGANIZATION, 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) OF THIS PARAGRAPH;**

**(VII) POST THE PROPOSED REGULATION OR THE SCOPE OF THE PROPOSED REGULATION ~~AND THE REGULATION'S ESTIMATED SMALL BUSINESS IMPACT~~ 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, ~~AND THE ADVISORY COUNCIL~~ IN ACCORDANCE WITH THIS SECTION, AND PROVIDE AN OPPORTUNITY FOR COMMENTS ON THE UNIT'S PROPOSAL;**

**(VIII) ON POSTING A PROPOSED REGULATION OR THE SCOPE OF A THE PROPOSED REGULATION ON THE UNIT'S WEBSITE IN ACCORDANCE WITH ITEM (VII) OF THIS PARAGRAPH, NOTIFY THE PARTIES REGISTERED IN THE ELECTRONIC REGISTRY ESTABLISHED UNDER ITEM (VI) OF THIS PARAGRAPH THAT THE PROPOSED REGULATION OR THE SCOPE OF THE PROPOSED REGULATION HAS BEEN POSTED;**

**(IX) 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**

[(vi)] (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) (1) The Committee is not required to take any action with respect to a proposed regulation submitted to it pursuant to subsection (d) 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) 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.~~

~~(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) Prior to the date specified in subsection (d) 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.~~

10-224.

(a) (1) In this section the following words have the meanings indicated.

(2) "Business" means a trade, professional activity, or other business that is conducted for profit.

(3) "Nonprofit organization" means an organization that is exempt or eligible for exemption from taxation under § 501(c)(3) of the Internal Revenue Code.

(b) This section applies only to:

(1) an agency operating statewide;

(2) a business that, on the date when the contested case or civil action is initiated[:

(i) is independently owned and operated; and

(ii) has less than 50 employees, including, if a corporation owns 50% or more of the stock of the business, each employee of the corporation], **MEETS THE DEFINITION OF A SMALL BUSINESS UNDER § 2-1505.2 OF THIS ARTICLE;** and

(3) a nonprofit organization.

~~10-1001.~~

~~(a) In this section, "unit" means an officer or other entity in the Executive Branch.~~

~~(b) (1) Unless otherwise provided by statute or regulation, a unit of State government authorized by law to impose a civil penalty up to a specific dollar amount for violation of any statute or regulation shall consider the following in setting the amount of the penalty:~~

~~[(1)] (I) the severity of the violation for which the penalty is to be assessed;~~

~~[(2)] (II) the good faith of the violator; [and]~~

~~[(3)] (III) any history of prior violations; AND~~

~~(IV) IF THE VIOLATOR MEETS THE DEFINITION OF A SMALL BUSINESS UNDER § 2-1505.2 OF THIS ARTICLE, ADDITIONALLY CONSIDER:~~

~~1. WAIVING THE PENALTY IF THE VIOLATOR CORRECTS THE VIOLATION WITHIN 30 DAYS AFTER THE FINDING OF THE VIOLATION;~~

~~2. DEPENDING ON THE VIOLATOR'S FINANCIAL CAPACITY, IMPOSING A LESSER PENALTY THAN WOULD BE IMPOSED ON A LARGER BUSINESS ENTITY IN A COMPARABLE INDUSTRY; OR~~

~~3. CREDITING THE COSTS OF CORRECTING THE VIOLATION AGAINST THE PENALTY ASSESSED AGAINST THE VIOLATOR.~~

~~(2) PARAGRAPH (1)(IV) OF THIS SUBSECTION MAY NOT APPLY TO A VIOLATOR THAT HAS BEEN THE SUBJECT OF MULTIPLE ENFORCEMENT ACTIONS BY A STATE OR LOCAL UNIT THAT:~~

~~(I) INVOLVE WILLFUL OR CRIMINAL CONDUCT; OR~~

~~(II) POSE SERIOUS HEALTH, SAFETY, OR ENVIRONMENTAL THREATS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That *the Laws of Maryland read as follows:*

~~(a) The Governor shall designate an appropriate department, office, or other unit to study:~~

~~(1) the feasibility, methods, and costs of requiring all State units to allow small businesses to submit by electronic means any payments, forms, reports, or other documentation required by regulation; and~~

~~(2) the ability of State agencies to collect and share information regarding the impact of regulations on small businesses.~~

~~(b) The study shall include:~~

~~(1) assessing data currently collected by State agencies to determine if necessary and appropriate information is being collected;~~

~~(2) analyzing the capabilities of State information technology systems to provide aggregate data;~~

~~(3) reviewing and recommending appropriate amendments to State statutes and regulations to identify legal limitations that may prevent State units from sharing relevant information with other State units;~~

~~(4) providing recommendations for data sharing agreements among State units; and~~

~~(5) providing recommendations for adequate security measures for sharing data among State units.~~

~~(e) On or before June 30, 2020, the designated unit shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Economic Matters Committee on the results of the study and the implementation of this Act.~~

**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:

(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;
  - 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.

(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.]

[(i)] (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.

(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:

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:

[(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 [(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.

(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].

SECTION 3. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect July 1, 2019~~ 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.

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.

**Approved by the Governor, April 30, 2019.**