

HOUSE BILL 436

Q7
HB 873/19 – W&M

0lr2185

By: **Delegates Buckel, Hornberger, Rose, and Shoemaker**

Introduced and read first time: January 23, 2020

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2020

CHAPTER _____

1 AN ACT concerning

2 **Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic Future of**
3 **Western Maryland**

4 FOR the purpose of establishing the Task Force on ~~Tax Policy, Reform, and Fairness~~ the
5 Economic Future of Western Maryland; specifying the membership of the Task
6 Force; providing for the appointment of a Senate cochair and House cochair of the
7 Task Force; providing for the staffing of the Task Force; prohibiting a member of the
8 Task Force from receiving certain compensation, but authorizing the reimbursement
9 of certain expenses; requiring the Task Force to study, consider, and make
10 recommendations regarding certain matters; requiring the Task Force to report its
11 findings and recommendations to the Governor and the General Assembly on or
12 before a certain date; providing for the termination of this Act; and generally relating
13 to the Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic Future of
14 Western Maryland.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That:

17 (a) There is a Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic
18 Future of Western Maryland.

19 (b) The Task Force consists of the following members:

20 (1) ~~three members~~ one member of the Senate of Maryland who is a member
21 of the Western Maryland Delegation, appointed by the President of the Senate;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2) ~~three members~~ one member of the House of Delegates who is a member
2 of the Western Maryland Delegation, appointed by the Speaker of the House;

3 ~~(3) the Comptroller, or the Comptroller's designee;~~

4 ~~(4) the Secretary of Budget and Management, or the Secretary's designee;~~

5 ~~(5) a representative of the Maryland Association of Counties;~~

6 ~~(6) a representative of the Maryland Chamber of Commerce;~~

7 ~~(7) a representative of the Maryland Municipal League;~~

8 ~~(8) a representative of the State Department of Assessments and Taxation,~~
9 ~~designated by the Director of Assessments and Taxation;~~

10 ~~(9) one economist, appointed by the Governor;~~

11 ~~(10) one member of the faculty of the University of Maryland School of~~
12 ~~Public Policy, appointed by the Governor;~~

13 ~~(11) one member of the faculty of the University of Maryland Robert H.~~
14 ~~Smith School of Business, appointed by the Governor; and~~

15 ~~(12) two members of the public, each of whom shall be an attorney at law or~~
16 ~~an accountant knowledgeable about the State's tax structure, appointed by the Governor.~~

17 (3) the Secretary of Commerce, or the Secretary's designee;

18 (4) the Executive Director of the Maryland Technology Development
19 Corporation, or the Executive Director's designee;

20 (5) one county elected official serving in Allegany County, Garrett County,
21 or Washington County, appointed by the Maryland Association of Counties;

22 (6) one municipal elected official serving in Allegany County, Garrett
23 County, or Washington County, appointed by the Maryland Municipal League;

24 (7) a representative of Frostburg State University who has relevant
25 experience in economics, economic development, or business, appointed by the President of
26 Frostburg State University;

27 (8) a representative of the Tri-County Council for Western Maryland,
28 appointed by the Board of Directors of the Council;

1 (9) one representative of the business community, appointed by the
2 Allegany County Chamber of Commerce;

3 (10) one representative of the business community, appointed by the Garrett
4 County Chamber of Commerce; and

5 (11) one representative of the business community, appointed by the
6 Washington County Chamber of Commerce.

7 (c) (1) The President of the Senate shall designate one of the members
8 appointed from the Senate as cochair of the Task Force.

9 (2) The Speaker of the House shall designate one of the members appointed
10 from the House of Delegates as cochair of the Task Force.

11 (d) ~~The Office of the Comptroller and the Department of Budget and Management~~
12 Department of Commerce shall provide staff for the Task Force.

13 (e) A member of the Task Force:

14 (1) may not receive compensation as a member of the Task Force; but

15 (2) is entitled to reimbursement for expenses under the Standard State
16 Travel Regulations, as provided in the State budget.

17 (f) The Task Force shall:

18 ~~(1) study the current revenue structure of the State, including income,~~
19 ~~sales, corporate, motor fuel, excise, and property taxes, tax exemptions and credits, and~~
20 ~~fees;~~

21 ~~(2) review the academic and economic research on state and local tax policy~~
22 ~~to assist in the overall assessment of efficacy, fairness, and competitiveness of the current~~
23 ~~revenue structure of the State;~~

24 ~~(3) review the revenue structure of neighboring jurisdictions for the~~
25 ~~purpose of evaluating the regional competitiveness of the State's tax structure;~~

26 ~~(4) consider the nature of the State's economy and the importance of service~~
27 ~~and professional businesses to economic development;~~

28 ~~(5) consider whether or not the current revenue structure of the State~~
29 ~~should be reformed, modified, and modernized, including by considering:~~

30 ~~(i) reforms that would mitigate any adverse effects on State~~
31 ~~taxpayers that are the result of the federal Tax Cut and Jobs Act;~~

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1 ~~(ii) the imposition of a payroll tax, carried interest tax, or remote~~
 2 ~~sales tax in order to offset reductions to the State's income tax and State and local property~~
 3 ~~taxes; and~~

4 ~~(iii) the encouragement of charitable contributions by taxpayers to~~
 5 ~~State institutions; and~~

6 ~~(6) make recommendations regarding changes to the State's revenue~~
 7 ~~structure that:~~

8 ~~(i) promote job growth and economic development;~~

9 ~~(ii) ensure fairness, simplicity, and transparency;~~

10 ~~(iii) provide a stable, balanced, and reliable revenue stream, while~~
 11 ~~not reducing services; and~~

12 ~~(iv) create a business friendly environment.~~

13 (1) study the current economic conditions of Western Maryland; and

14 (2) make recommendations regarding potential methods for the
 15 improvement of the economies of Allegany County, Garrett County, and Washington
 16 County, including:

17 (i) opportunities to expand economic activity in technology-based
 18 industry, including biotechnology, cybersecurity, energy and energy storage, transportation
 19 and logistics, and advanced manufacturing;

20 (ii) opportunities to strengthen tourism-related businesses in
 21 Western Maryland; and

22 (iii) strategies to overcome barriers to the creation and expansion of
 23 new small businesses in Western Maryland.

24 (g) On or before ~~December~~ January 1, 2021, the Task Force shall report its
 25 findings and recommendations to the Governor and, in accordance with § 2-1257 of the
 26 State Government Article, the General Assembly.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 28 1, 2020. It shall remain effective for a period of ~~2 years~~ 1 year and, at the end of June 30,
 29 ~~2022~~ 2021, this Act, with no further action required by the General Assembly, shall be
 30 abrogated and of no further force and effect.