

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 581 (The Speaker, *et al.*) (By Request - Administration)
Health and Government Operations Education, Energy, and the Environment

State Government - Permits, Licenses, and Certificates - Processing (Transparent Government Act of 2024)

This Administration bill requires each principal department and independent unit of State government, by October 1, 2024, to (1) create a catalog containing specified information of each type of permit, license, or certificate that it issues and (2) submit the catalog to the Governor. By December 1, 2024, each principal department and independent unit must post on its website an interim description, to the extent practicable, of the application process for each permit, license, or certificate it issues, including specified information; by October 1, 2025, and annually thereafter, a completed update of that information must be posted. The bill also establishes the Government Efficiency Commission, staffed by the Office of the Governor, the stated purpose of which is to enhance government efficiency and economic competitiveness by monitoring efficiency in the processing of permits, licenses, and certificates. By December 1, 2024, and annually thereafter, the commission must submit a report on its findings and recommendations to the Governor and the General Assembly. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: While it is anticipated that affected State entities can create the required catalog and post the required information on their websites using existing budgeted resources, as discussed below, some State entities may not meet the catalog submission deadline. The Governor’s Office can staff the commission with existing resources, and any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not directly affected.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: The Administration has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) generally disagrees with this assessment, as discussed below. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary:

Catalog of Permits, Licenses, and Certificates

“Department” means a principal department of the Executive Branch of State government, as specified. “Independent unit” means a unit in the Executive Branch of State government that is not a department.

The required catalog must include:

- a description of each permit, license, or certificate;
- the term for which each issued permit, license, or certificate is valid;
- the statutory and regulatory authority that (1) authorizes or requires the department or independent unit to issue the permit, license, or certificate and (2) establishes a timeline within which a department or independent unit must process and issue the permit, license, or certificate, if any;
- the method and process used to accept applications for each permit, license, or certificate, including a list of (1) prior significant updates to the method and process and (2) the current information technology system used, and any remaining associated tasks still performed manually with the system;
- an estimate of the length of time to (1) determine if an application is complete and (2) make a final determination to issue, waive, or deny the permit, license, or certificate;
- the application fee charged for each permit, license, or certificate and how the revenue collected from application fees is allocated;
- any statutory or regulatory authority that may impact an applicant’s ability to receive a permit, license, or certificate based on the criminal history of the applicant;
- an analysis and any recommendations on the appropriate length of time to promptly process completed applications for each permit, license, or certificate and factors impeding the timely processing of each permit, license, or certificate; and
- statutory or regulatory changes and resources that could expedite the processing timeline.

Government Efficiency Commission – Established

The commission must:

- compile and index the reports submitted under the bill;
- review statutory and regulatory provisions that may impact the efficiency of processing permits, licenses, and certificates; and
- make recommendations on (1) any factors impeding prompt and fair processing of permits, licenses, and certificates; (2) strategies for improving permitting and licensing efficiency; and (3) removing barriers that hinder individuals and businesses from receiving permits, licenses, and certificates.

Commission members may not receive compensation but are entitled to reimbursement for expenses, as specified.

Current Law/Background:

OneStop Portal

The Department of Information Technology manages the OneStop Portal, a platform designed to consolidate all of the State’s licensure and certification platforms into a single online platform. The goal of OneStop is to retire outdated State paper-based applications and legacy databases used by many State agencies for licensing. However, not every permit, license, and certificate issued by State entities is available on OneStop. The permits, licenses, and certificates available on OneStop can be viewed [here](#).

Administration of State-issued Permits, Licenses, and Certificates – Generally

Several principal departments and independent units of State government administer and oversee the issuance of permits, licenses, and certificates for various purposes. Permit, license, and certificate fees are generally distributed to the general fund or a special fund dedicated to the regulatory function addressed by the specific permit, license, or certificate. Examples of State agencies that issue permits, licenses, and certificates include:

- the Maryland State Department of Education (MSDE) oversees the licensure and certification of educators, nonpublic schools, and specified childcare providers;
- the Maryland Department of Health (MDH) issues State licenses for health care facilities and community-based programs operating in Maryland; MDH also houses 20 independent health occupational boards that oversee the licensure and certification of various health-related professions, including acupuncturists, nurses, pharmacists and pharmacies, and physicians;

- the Maryland Department of Labor oversees more than 20 professional licensing boards, commissions, and offices that issue licenses and certifications for, among others, barbers, electricians, locksmiths, cosmetologists, real estate agents, and plumbers;
- the Department of State Police (DSP) issues licenses related to firearms and professional licenses generally relating to security guards, security services, and special police officers, among other specified law enforcement-related professions;
- the Office of the State Fire Marshal within DSP oversees the testing, licensing, and regulation of nongovernmental electrical inspectors and sprinkler contractors, in addition to other licenses and certifications relating to fire protection and prevention;
- the Maryland Department of the Environment issues several permits, licenses, and certificates, including those relating to lead paint, mining, oil and gas, refuse disposal, natural wood waste, hazardous waste, controlled hazardous substances, animal feeding operations, composting, scrap tires, sewage sludge, water quality discharge permits, water and sewerage construction, water appropriation and use, well construction, drinking water quality, wetlands and waterways, erosion and sediment control, and waterworks and waste system operators;
- the Maryland Department of Agriculture issues various permits, licenses, and registrations, including those relating to nutrient management, weights and measures, food quality assurance (such as eggs, grain dealers, and organic production and handling operations), pesticides, fertilizers, turf and seed, animal feed, pet foods, veterinarians, nurseries, apiaries, and horse stables;
- the Department of Natural Resources issues several permits and licenses, including those relating to hunting, wildlife, fishing, aquaculture, vessels and boating, endangered species, roadside trees, tree experts, off-road vehicles, and open air burning; and
- the Maryland Department of Transportation issues various permits and licenses, including those related to driving motor vehicles, hauling, car dealers, junkyard and scrap metal processing, airports, highway access, and outdoor advertising.

State Expenditures: The bill is not anticipated to materially affect State expenditures, as nearly all affected State entities that provided information regarding the fiscal impact of the bill indicate that they can create and submit the required catalog – and post the required information on their respective websites – using existing budgeted resources. However, DLS notes that the bill provides only three months from the bill’s July 1, 2024 effective date for affected State entities to submit the catalog to the Governor. Therefore, some State entities may not be able to meet the October 1, 2024 deadline for submission.

However, MSDE advises that it will cost approximately \$200,000 in fiscal 2025 to procure a contractor to create the catalog and build webpages for its various units in order to meet

the bill's catalog and website posting requirements. DLS disagrees and notes that every other department and unit of State government that responded to requests for information regarding the fiscal impact of the bill stated that they can comply with those requirements using existing budgeted resources. Therefore, it is anticipated that MSDE can create the catalog and post the required information on its website using existing resources.

Small Business Effect: The Administration has determined that this bill has a meaningful impact on small business but did not provide any explanation as to that determination. While the intent of the bill may be to make the application process for State-issued permits, licenses, and certificates less burdensome and more efficient, the bill does not directly improve or expedite the application process for licenses, permits, or certificates. Accordingly, the extent to which the bill has a meaningful impact on small businesses is unclear. DLS acknowledges that the stated purpose of the Government Efficiency Commission, which is established by the bill, is to enhance government efficiency and economic competitiveness by monitoring efficiency in the processing of permits, licenses, and certificates. Accordingly, to the extent the work of the commission improves efficiency and removes barriers in obtaining permits, licenses, and certificates, small businesses seeking those approvals may benefit.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 472 (The President, *et al.*) (By Request - Administration) - Education, Energy, and the Environment.

Information Source(s): Department of Commerce; Maryland Cannabis Administration; Comptroller's Office; Governor's Office; Secretary of State; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Maryland Department of the Environment; Department of Housing and Community Development; Maryland Department of Labor; Department of Natural Resources; Department of State Police; State Ethics Commission; Maryland Insurance Administration; Public Service Commission; Office of the Attorney General; Department of Legislative Services

Fiscal Note History:
rh/mcr

First Reader - February 9, 2024
Third Reader - March 25, 2024
Revised - Amendment(s) - March 25, 2024
Revised - Updated Information - March 25, 2024
Enrolled - April 30, 2024
Revised - Amendment(s) - April 30, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **State Government - Permits, Licenses, and Certificates - Processing
(Transparent Government Act of 2024)**

BILL NUMBER: HB 581

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