Department of Legislative Services

Maryland General Assembly 2025 Session

FISCAL AND POLICY NOTE First Reader

House Bill 1120

(Delegates Vogel and Schmidt)

Health and Government Operations

Department of Information Technology – Maryland OneStop – Required State, County, and Municipal Information

This bill requires, by July 1, 2026, each county and municipal government to make available on Maryland OneStop, all county and municipal licenses, forms, certificates, permits, applications, and registrations, and to update them every two months thereafter. It also requires the Department of Information Technology (DoIT), in coordination with each unit of State government, to update all licenses, forms, certificates, permits, applications and registrations available on Maryland OneStop by December 1, 2025, and every two months thereafter.

Fiscal Summary

State Effect: General fund expenditures increase significantly, likely by hundreds of millions of dollars over multiple years, as discussed below. Reimbursable fund revenues increase to the extent DoIT charges local governments to have their information on Maryland OneStop. Additionally, meeting the deadlines established by the bill may not be possible, as discussed below.

Local Effect: Local government expenditures increase, likely significantly and potentially by millions of dollars, as discussed below. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Current Law: DoIT and the Secretary of Information Technology (IT) are responsible for, among other things (1) developing, maintaining, revising, and enforcing IT policies, procedures, and standards; (2) providing technical assistance, advice, and recommendations to any unit of State government concerning IT matters; and (3) developing and maintaining a statewide IT master plan.

DoIT manages the <u>Maryland OneStop</u> portal, which is the central hub for more than 300 State-issued licenses, forms, certificates, permits, applications, and registrations. The website includes a description of each license, permit, registration, *etc.*, and information about the associated fees and approval times once an application is submitted.

State Expenditures: General fund expenditures for DoIT increase significantly, likely by hundreds of millions of dollars over multiple years, to upgrade the IT system that runs Maryland OneStop to include the additional county and municipal licenses, forms, certificates, permits, applications, and registrations on the system and ensure updates take place every two months in the manner required by the bill. Additionally, DoIT advises, and the Department of Legislative Services concurs, that meeting the July 1, 2026 deadline to ensure all local information is included on Maryland OneStop is likely impossible, as the upgrades necessary to meet the bill's requirements will take multiple years.

Specifically, to implement the bill, DoIT must ensure interoperability between the Maryland OneStop system and the various other systems in use by every local government and potentially every State agency (for the regular updates). A previous study by DoIT on the cost of adding 120 additional State licenses and permits to Maryland OneStop from other (incompatible) systems determined that the cost would be approximately \$80.0 million. As the bill likely results in hundreds of local licenses, permits registrations and related documents being added to One Stop from multiple incompatible local systems, DoIT estimates that the total cost to meet the bill's requirements could exceed \$500.0 million over multiple years.

State Revenues: DoIT advises that, to help offset the significant costs associated with implementing the bill, it may charge county and municipal governments to include their licenses, forms, certificates, permits, applications, and registrations on Maryland OneStop. To the extent any such charges take place, reimbursable revenues for DoIT increase accordingly. However, any such revenues are anticipated to be minimal compared to the anticipated costs to meet the bill's requirements.

Local Expenditures: Local government expenditures increase, likely significantly and potentially by millions of dollars (1) to ensure interoperability between local government systems and the Maryland OneStop system; (2) for additional staff time to ensure updates HB 1120/ Page 2

take place every two months; and (3) to pay any charges required by DoIT. The Maryland Association of Counties advises that the requirement to ensure updates every two months, in particular, is anticipated to divert staff time away from other essential duties and strain local resources.

Additional Information

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

Designated Cross File: SB 497 (Senator Ellis) - Education, Energy, and the Environment.

Information Source(s): Department of Information Technology; Maryland Institute for Emergency Medical Services Systems; Maryland Department of Aging; Department of Commerce; Alcohol, Tobacco, and Cannabis Commission; Comptroller's Office; Maryland State Department of Education; Maryland Department of Agriculture; Maryland Department of Labor; Department of Natural Resources; Department of State Police; Maryland Department of Transportation; Maryland Insurance Administration; Maryland State Lottery and Gaming Control Agency; Office of the Attorney General; Department of Housing and Community Development; Maryland Association of Counties; Harford, Montgomery, and Talbot counties; Maryland Municipal League; City of Laurel; Town of La Plata; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2025 js/mcr

Analysis by: Richard L. Duncan

Direct Inquiries to: (410) 946-5510 (301) 970-5510