Testimony in Favor of The Transparent Government Act (House Bill 581) Before the House Health and Government Operations Committee On behalf of the Maryland Economic Council (MEC)

Chair Pena-Melnyk, Vice Chair Cullison, and Members of the Committee, we testify today in support of House Bill 581, The Transparent Government Act, which takes a crucial first step in streamlining Maryland's regulatory process so business can grow and thrive.

Governor Moore established The Maryland Economic Council (MEC) last year to provide analysis and recommendations for implementing economic policies that achieve growth, diversify our workforce, and merge our state's assets and growing industries. Our mission includes identifying and tracking underlying economic factors that impact Maryland's business climate, evaluating Maryland's regulatory environment and economic policies compared to competing states, analyzing Maryland's economic strengths, weaknesses, opportunities, and threats, and reviewing current economic policies through an equitable lens to ensure fairness and help eliminate the racial wealth gap.

Through our research, we identified Maryland's disjointed and antiquated regulatory environment as one of the top hindrances to our state's economic success. In our first set of recommendations¹ to the Governor, the MEC highlighted the need to streamline the State's regulatory environment. Specifically, "Maryland consistently falls at the bottom of the list when it comes to business friendliness and regulatory environments. The average business ranking has our state's regulatory environment at 47th in the nation. Our hostile business environment creates a meaningful drag on productivity, hampering the ability of Maryland entrepreneurs to bring their ideas to market in Maryland. It also weakens Maryland's reputation, which dissuades businesses from locating here, and disproportionately harms small and economically disadvantaged businesses, by creating a business environment that requires significant resources and knowledge to navigate."

This legislation is an important first step in addressing this critical challenge. By requiring state agencies to catalog and assess each regulation it administers, and by establishing and publicizing expectations for when licensing and permitting applications are to be returned, the Moore Administration is injecting accountability into Maryland government.

This catalog and data will be vital to achieving the Administration's stated goal of streamlining Maryland's regulatory processes, and will allow them to do so in a way that ensures businesses receive timely and clear guidance without eliminating necessary regulations.

Regulatory reform is essential if Maryland is to foster a business-friendly environment, attract investment, enhance its reputation, and create a transparent and efficient regulatory framework,

¹ SMEC Recommendation 2 Regulatory Reform

ultimately contributing to the state's economic success for all of our citizens. For these reasons, we support this legislation and respectfully urge a favorable report.