



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 1038: Department of Commerce - Complaint Portal and Annual Report

Economic Matters Committee

Tuesday, February 25th, 2025 - 1:00 PM

Chairman Wilson, Vice Chair Crosby, Members of the Economic Matters Committee:

Delays in business licensing and permitting can have profound consequences, particularly for small businesses and nonprofit organizations. Maryland's current system lacks a transparent mechanism for tracking licensing delays, creating undue burdens for startups and nonprofits.

HB 1038 requires the Maryland Department of Commerce to establish an online complaint portal where businesses and nonprofits can report delays exceeding 60 days in processing applications for licenses, permits, certificates, and registrations. The bill mandates that the Department submit an annual report to the Senate Budget and Taxation Committee and the House Ways and Means Committee, detailing the complaints received and identifying the responsible governmental units. The bill excludes cases where the statute allows processing beyond 60 days and ensures data privacy by anonymizing complaints in reports.

This bill requires the Department of Commerce to create and maintain a complaint portal. It ensures an accessible and standardized process for businesses to report delays exceeding 60 days, which will ensure accountability and government efficiency.

Moreover, a study conducted by the National Bureau of Economic Research (NBER) found that reducing bureaucratic delays by even one month leads to an 8% increase in new business registrations¹, which highlights the direct link between efficient licensing and economic growth. Government accountability mechanisms like complaint portals have been successfully implemented in several states, leading to a measurable reduction in processing times and improved public trust².

By mandating annual reporting, this bill provides a critical layer of oversight to help address issues in the licensing and permitting process in upcoming legislative sessions. HB 1038 seeks to address excessive bureaucratic delays which hinder economic growth and reduce employment opportunities, while also creating an environment of certainty and accountability to help businesses.

I urge the committee to give a favorable report on HB 1038.

¹ Chatterji, A. K., Chay, K. Y., & Fairlie, R. W. (2019). *The impact of bureaucratic delays on business formation*. National Bureau of Economic Research. Retrieved from <https://www.nber.org>

² Pew Charitable Trusts. (2021). *State strategies for streamlining business licensing and permitting processes*. Retrieved from <https://www.pewtrusts.org>