

HB 1038—Department of Commerce - Complaint Portal

Uploaded by: Grason Wiggins

Position: FAV



MARYLAND
Chamber of Commerce

House Bill 1038

Date: February 25, 2025
Committee: Economic Matters
Position: Favorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

House Bill 1038 (HB 1038) requires the Department of Commerce to establish a portal on the Department's website to receive complaints from businesses and individuals who have waited longer than 60 days to receive licenses, forms, certificates, permits, or registrations. The Maryland Chamber consistently hears from businesses across Maryland that have experienced prolonged waiting periods for building permits and licenses. Slow permitting and licensing times restrict development and drive investment to other states.

The Maryland Chamber of Commerce respectfully requests a **favorable report** on **HB 1038**.

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Testimony - HB 1038.pdf

Uploaded by: Joe Vogel

Position: FAV



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>

HB1038_MRA_FAV.pdf

Uploaded by: Sarah Price

Position: FAV

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



HB1038 Department of Commerce - Complaint Portal and Annual Report Economic Matters Committee February 25, 2025

Position: Favorable

Background: HB1038 would require the Department of Commerce to create a complaint portal for reporting when a governmental unit takes longer than 60 days to process an application for a license, form, certificate, certification, permit, or registration for a business or nonprofit organization.

Comments: The Maryland Retailers Alliance (MRA) is strongly supportive of **HB1038 Department of Commerce - Complaint Portal and Annual Report**. This proposal would create an avenue for businesses to pursue resolutions for length wait periods when applying for licenses and permits. Permitting and licensing delays can become very costly for businesses, particularly when they impact schedules and operations for developing or opening a new business location. Establishing a complaint portal for businesses to report these delays will help to move the process along and ensure that these issues can be resolved efficiently and effectively.

MRA would respectfully urge a favorable report on HB1038. Thank you for your consideration.

HB1038-HGO_MACo_OPP.pdf

Uploaded by: Karrington Anderson

Position: UNF



House Bill 1038

Department of Commerce – Complaint Portal and Annual Report

MACo Position: **OPPOSE**

To: Economic Matters and
Health and Government Operations Committees

Date: February 25, 2025

From: Karrington Anderson

The Maryland Association of Counties (MACo) **OPPOSES** HB 1038. This bill requires the Maryland Department of Commerce to create and maintain a complaint portal for reporting when governmental units such as counties take longer than 60 days to process an application for a business license, form, certificate, certification, permit, or registration. Annually, the Department would be tasked with identifying government units responsible and reporting to the Senate Budget and Tax Committee and House Ways and Means Committee.

This bill fails to account for legitimate reasons why processing a business license, permit, or certification may exceed 60 days—many of which are beyond a local government's control.

Counties work diligently to process business applications efficiently while ensuring compliance with local, state, and federal laws. However, various external factors can contribute to delays, including incomplete applications, required state or federal approvals, background checks, public hearing requirements, and applicant response times. By creating a public complaint portal without recognizing these complexities, HB 1038 risks unfairly attributing delays to local governments without proper context.

Furthermore, annual reporting on complaints without distinguishing between avoidable and unavoidable delays is concerning. This could lead to misleading conclusions about county (and state agency) performance while failing to provide a meaningful solution to actual processing challenges.

For these reasons, MACo urges an **UNFAVORABLE** report on HB 1038.