

# HOUSE BILL 436

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HB 873/19 – W&M

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By: **Delegates Buckel, Hornberger, Rose, and Shoemaker**

Introduced and read first time: January 23, 2020

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic Future of**  
3 **Western Maryland**

4 FOR the purpose of establishing the Task Force on ~~Tax Policy, Reform, and Fairness~~ the  
5 Economic Future of Western Maryland; specifying the membership of the Task  
6 Force; providing for the appointment of a Senate cochair and House cochair of the  
7 Task Force; providing for the staffing of the Task Force; prohibiting a member of the  
8 Task Force from receiving certain compensation, but authorizing the reimbursement  
9 of certain expenses; requiring the Task Force to study, consider, and make  
10 recommendations regarding certain matters; requiring the Task Force to report its  
11 findings and recommendations to the Governor and the General Assembly on or  
12 before a certain date; providing for the termination of this Act; and generally relating  
13 to the Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic Future of  
14 Western Maryland.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
16 That:

17 (a) There is a Task Force on ~~Tax Policy, Reform, and Fairness~~ the Economic  
18 Future of Western Maryland.

19 (b) The Task Force consists of the following members:

20 (1) ~~three members~~ one member of the Senate of Maryland who is a member  
21 of the Western Maryland Delegation, appointed by the President of the Senate;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2) ~~three members~~ one member of the House of Delegates who is a member of the Western Maryland Delegation, appointed by the Speaker of the House;

~~(3) the Comptroller, or the Comptroller's designee;~~

~~(4) the Secretary of Budget and Management, or the Secretary's designee;~~

~~(5) a representative of the Maryland Association of Counties;~~

~~(6) a representative of the Maryland Chamber of Commerce;~~

~~(7) a representative of the Maryland Municipal League;~~

~~(8) a representative of the State Department of Assessments and Taxation, designated by the Director of Assessments and Taxation;~~

~~(9) one economist, appointed by the Governor;~~

~~(10) one member of the faculty of the University of Maryland School of Public Policy, appointed by the Governor;~~

~~(11) one member of the faculty of the University of Maryland Robert H. Smith School of Business, appointed by the Governor; and~~

~~(12) two members of the public, each of whom shall be an attorney at law or an accountant knowledgeable about the State's tax structure, appointed by the Governor.~~

(3) the Secretary of Commerce, or the Secretary's designee;

(4) the Executive Director of the Maryland Technology Development Corporation, or the Executive Director's designee;

(5) one county elected official serving in Allegany County, Garrett County, or Washington County, appointed by the Maryland Association of Counties;

(6) one municipal elected official serving in Allegany County, Garrett County, or Washington County, appointed by the Maryland Municipal League;

(7) a representative of Frostburg State University who has relevant experience in economics, economic development, or business, appointed by the President of Frostburg State University;

(8) a representative of the Tri-County Council for Western Maryland, appointed by the Board of Directors of the Council;

1           (9) one representative of the business community, appointed by the  
2 Allegany County Chamber of Commerce;

3           (10) one representative of the business community, appointed by the Garrett  
4 County Chamber of Commerce; and

5           (11) one representative of the business community, appointed by the  
6 Washington County Chamber of Commerce.

7           (c) (1) The President of the Senate shall designate one of the members  
8 appointed from the Senate as cochair of the Task Force.

9           (2) The Speaker of the House shall designate one of the members appointed  
10 from the House of Delegates as cochair of the Task Force.

11           (d) ~~The Office of the Comptroller and the Department of Budget and Management~~  
12 Department of Commerce shall provide staff for the Task Force.

13           (e) A member of the Task Force:

14           (1) may not receive compensation as a member of the Task Force; but

15           (2) is entitled to reimbursement for expenses under the Standard State  
16 Travel Regulations, as provided in the State budget.

17           (f) The Task Force shall:

18           ~~(1) study the current revenue structure of the State, including income,~~  
19 ~~sales, corporate, motor fuel, excise, and property taxes, tax exemptions and credits, and~~  
20 ~~fees;~~

21           ~~(2) review the academic and economic research on state and local tax policy~~  
22 ~~to assist in the overall assessment of efficacy, fairness, and competitiveness of the current~~  
23 ~~revenue structure of the State;~~

24           ~~(3) review the revenue structure of neighboring jurisdictions for the~~  
25 ~~purpose of evaluating the regional competitiveness of the State's tax structure;~~

26           ~~(4) consider the nature of the State's economy and the importance of service~~  
27 ~~and professional businesses to economic development;~~

28           ~~(5) consider whether or not the current revenue structure of the State~~  
29 ~~should be reformed, modified, and modernized, including by considering:~~

30           ~~(i) reforms that would mitigate any adverse effects on State~~  
31 ~~taxpayers that are the result of the federal Tax Cut and Jobs Act;~~

~~(ii) the imposition of a payroll tax, carried interest tax, or remote sales tax in order to offset reductions to the State's income tax and State and local property taxes; and~~

~~(iii) the encouragement of charitable contributions by taxpayers to State institutions; and~~

~~(6) make recommendations regarding changes to the State's revenue structure that:~~

~~(i) promote job growth and economic development;~~

~~(ii) ensure fairness, simplicity, and transparency;~~

~~(iii) provide a stable, balanced, and reliable revenue stream, while not reducing services; and~~

~~(iv) create a business friendly environment.~~

(1) study the current economic conditions of Western Maryland; and

(2) make recommendations regarding potential methods for the improvement of the economies of Allegany County, Garrett County, and Washington County, including:

(i) opportunities to expand economic activity in technology-based industry, including biotechnology, cybersecurity, energy and energy storage, transportation and logistics, and advanced manufacturing;

(ii) opportunities to strengthen tourism-related businesses in Western Maryland; and

(iii) strategies to overcome barriers to the creation and expansion of new small businesses in Western Maryland.

(g) On or before ~~December~~ January 1, 2021, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020. It shall remain effective for a period of ~~2 years~~ 1 year and, at the end of June 30, ~~2022~~ 2021, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.