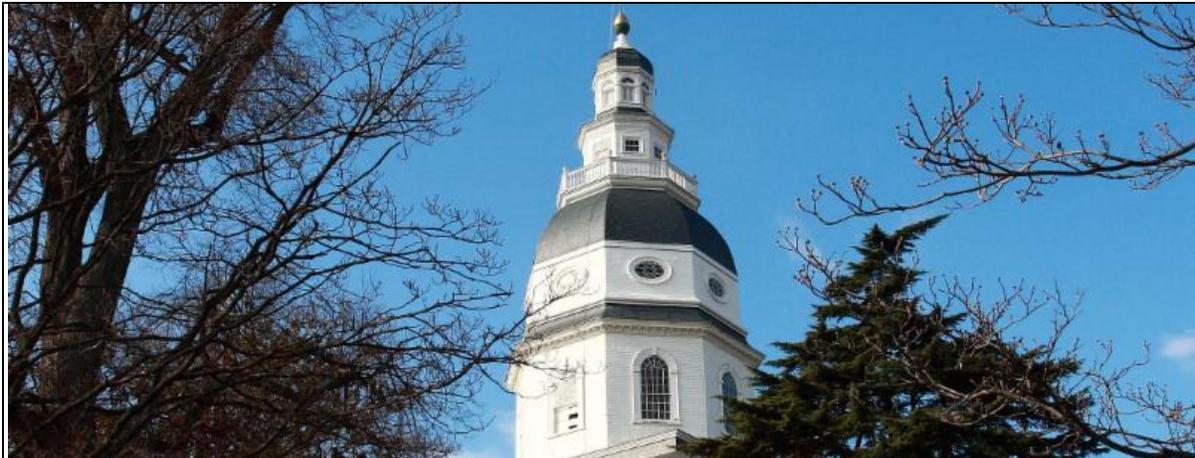




# GREATER BALTIMORE COMMITTEE

*Regional business leaders creating a better tomorrow...today.*



April 12, 2016

## State House Update

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### GBC'S 2016 AGENDA

[See the GBC's 2016 Legislative Agenda!](#)

### GBC'S LEGISLATIVE TRACKER

To read testimony and get more information about bills the GBC is tracking this year, [visit our new legislative tracking website.](#)

### MD GENERAL ASSEMBLY

[General Assembly Website](#)

[Dates of Interest](#)

[Committee Schedule](#)

### Session 2016 Ends with Talk of Special Session

With the typical scramble that comes at the end of a 90-day legislative session to reach agreement and get last minute bills passed, the 2016 session of the Maryland General Assembly adjourned Sine Die at 12:00 a.m. Though very different from last year when legislators found themselves in a stalemate with Governor Larry Hogan over education spending as Sine Die approached, the end of the 2016 session was not without its drama as legislators struggled to agree on major pieces of legislation.

[Click here to read the GBC's wrap up of the 2016 legislative session of the Maryland General Assembly.](#)

The list of bills awaiting final approval on the last morning of session included legislation to reform the state's criminal justice system known as the Justice Reinvestment Act, earned sick leave legislation that would require private sector employers of a certain size to provide paid sick leave, and an income tax reform measure that would bring changes to a

## GBC EVENTS

**April 18, 2016**

Cocktail Reception with the Orioles

**April 21, 2016**

Newsmaker Breakfast with MTA Administrator Paul Comfort

**May 16, 2016**

GBC's Annual Meeting

## STAFF CONTACTS

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variety of brackets within the state's tax code.

After much discussion over the past several weeks, including in conference committee deliberations, lawmakers reached an agreement on the Justice Reinvestment Act ([SB 1005](#)) over the weekend. [According to the Baltimore Sun](#), the legislation "...will push more low-level drug offenders into treatment, create an easier path for some inmates to be released sooner, limit the amount of time parole violators spend behind bars, remove some mandatory minimum sentences and allow people to expunge more convictions from their criminal records." The legislation, which is more than 100 pages long, is the result of a study conducted by the Justice Reinvestment Coordinating Council created last year by Senate President Mike Miller and Speaker Michael Busch. The bill eventually passed in the waning hours of the session.

[House Bill 580](#), which would mandate private sector employers to provide paid sick leave to employees, [was all but pronounced dead](#) last week after a revised version of the bill passed the House of Delegates. As originally proposed, the bill would have required employers with more than 9 employees to provide workers with one hour of sick leave for every 30 hours worked for a minimum of 56 hours (or seven days) per year. As revised in the House of Delegates, the minimum number of hours an employee would be allowed to accrue would drop to 40 hours and the threshold for the size of companies included in the law increased from 9 to 15 employees. Employers with 14 or fewer employees would be required to provide job-protected, unpaid leave.

Although [Senate Bill 840](#) started out as a measure to increase the state's Earned Income Tax Credit, the version that came out of Senate was drastically changed to include an increase in personal exemptions and a change in tax brackets across the board for all income levels, including middle and high income earners. The version passed by the House Ways and Means Committee did not include tax breaks for middle and high income but included a measure to institute single sales factor apportionment for the purposes of calculating a company's Maryland tax liability.

During their deliberations, the leadership of the House of Delegates and Senate tied the fate of the earned sick leave and tax reduction legislation together. In other words, either the parties reached agreement and passed both legislative initiatives or they both died to live another day. As the bell tolled at midnight, both pieces of legislation failed due to the parties reaching an agreement on the terms of the tax reduction legislation.



Senate President Miller has indicated that should an agreement be reached over the interim that it is possible that a special session could be called to address these issues. If not, like many other legislative proposals that did not receive approval last evening, it is very likely we will see these issues again next legislative session.

For Governor Larry Hogan, the 2016 session was a mix of wins and losses. The budget that he proposed in January included funding for all major priorities without increasing taxes and was passed overwhelmingly by both houses of the General Assembly two weeks earlier than required. However, his veto of legislation that requires that all transportation projects be ranked on a scoring system resulted in veto override by the legislature in the final days of session. Aside from the budget, some of the governor's key proposals - including one to provide tax breaks to manufacturing companies - failed to survive legislative scrutiny.

With the end of the second legislative session in this 4-year term of office, it is evident that the legislative and executive branch are still wrestling with philosophical differences and divided government.

The failure of the House and Senate to reach agreement on income tax reduction legislation reflects a different philosophical composition of the bodies - the House of Delegates being more progressive than the Senate.

As we conclude a second legislative session with a divided government, the relationship between the first floor of the State House (General Assembly) and the second floor (Governor's Office) is still evolving. Legislative leaders have bristled at the lack of involvement in the legislative process by the Governor's office. Meanwhile, Governor Hogan is riding a strong public opinion wave that strongly suggests to the administration that the Governor's policies, priorities and approach to government are more popular with the general public than those of the General Assembly.

The second and third years of a legislative term are usually the most productive. With two sessions out of the way, the tables are set for next year's 2017 legislative session when both the Governor and members of the legislature will be laser-focused on getting their legislative priorities approved before election year politicking begins in 2018.

One of the advantages of Maryland's government structure is that the budget and any proposed legislative initiative must be acted upon within the 90-day General Assembly session. Unlike the federal government, there are no continuing

budget resolutions and policy debates that continue ad infinitum. *Sine Die* brings an end to legislative hopes for this chapter of the General Assembly --- but for those issues that didn't make it-- there's always next year (or a Special Session).

As always, if you have any questions or concerns, please feel free to contact me.

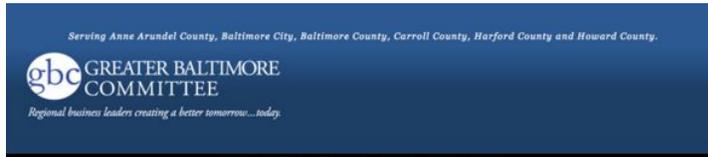
Sincerely,



Donald C. Fry  
President and CEO

## Bills to Watch

To see which bills the GBC is tracking and submitting testimony on this week, [visit the legislative tracking system](#).



### Maryland 2016 Session

Welcome to the Greater Baltimore Committee's Legislative Tracker. As one of the region's premier business advocacy organizations, the GBC maintains a strong presence in Annapolis during the annual legislative session of the Maryland General Assembly, led by our president and CEO Donald C. Fry. Throughout the session the GBC tracks legislation in many policy areas relating to the competitiveness of the Baltimore region and advocates on behalf of our more than 400 members with written and oral testimony on pertinent legislation.

This new tracking database provides an interactive way to stay up to date with GBC's legislative activities. The tracker allows you to see the bills the GBC is tracking during the legislative session in Annapolis - color coded to reflect the GBC's level of support - and search by subject matter or bill number. Once you have clicked on a bill, you can see the full bill text, sponsors, hearing dates, read the GBC's testimony, and leave private comments for GBC staff to review.

If you have any questions, please feel free to reach out to Shama Hernandez, Director of Policy and Research at [shamah@gbc.org](mailto:shamah@gbc.org).

<b>DIRECT LINK</b> Yesterday's Actions HB ▾ <input type="text"/> Go <b>DATE LOOKUP</b> Start: 12/1/2015 End: 1/22/2016 Go	<b>TRACKING LEVEL</b> Support Support w/ Amendments Oppose Monitor No Position <b>BILL TYPE</b> House Bill	<b>GROUPS</b> Leg Rpt Policy Area Select an Item Business Climate and Competitiveness Business Incentives Business Taxes Economic Development Employment
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