

We Work For You

The 2013 session of the Maryland General Assembly is upon us and the legislature will be taking up a number of issues that impact the technology and biotechnology communities. Issues like tax climate, transportation, economic development incentives, higher education and workforce will be debated over the 90 days of the session. TCM, the only tech council in Maryland that advocates and lobbies for the interests of innovative companies, will be in Annapolis full time working for you.

TCM's Advocacy Team

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The Tech Council of Maryland

TCM is Maryland's largest technology and life science industry association. Our membership consists of 400 innovative companies and includes government, academia and service providers. TCM's mission is to create an environment where Maryland's most innovative companies can collaborate, grow and succeed. Through TCM's two divisions, MdTech and MdBio, we work on behalf of our members by providing public policy advocacy, educational opportunities, peer to peer networking events, cost saving programs and access to key players in Maryland. TCM is also able to serve the technology and life science communities through assets like the Maryland Health Care Product Development Corporation, which provides early-stage investment in biomedical technologies and the MdBioLab program, which is a mobile bioscience laboratory that visits Maryland high schools to teach science literacy.

TCM 2013 Policy Platform Top Priorities

- Raise cap on the Research and Development Tax Credit from \$6 million to \$18 million and allow not yet profitable companies to participate.

- Increase funding for the Biotech Tax Credit from \$8 million to \$16 million.

- Expand programs that enhance tech-led economic development such as InvestMaryland and the Maryland Innovation Initiative.

- Create certainty for the technology and life science business community by opposing new corporate taxes or changes to the tax structure.

- Develop and implement long-term, stable funding solutions for Maryland's transportation

Update on TCM 2013 Session Priorities

R&D Tax Credit - SB 203 and HB 386 increase the R&D Tax Credit cap and allow not yet profitable companies to receive the incentive. The House bill has passed the House and is pending in the Senate. The Senate bill remains in the Budget and Taxation Committee. The good news is that the House bill passed with the small business language intact. However, the House chose to reduce the cap increase from \$18 million to \$8 million (the current cap is \$6 million). While an \$8 million cap would be a victory, albeit smaller than what TCM wants, there is still time to get the cap increased and pass the bill. Stay tuned, we're working on it.

Cybersecurity Tax Credit - HB 803, sponsored by the Department of Business and Economic Development, creates an incentive for cybersecurity companies modeled on the successful Biotech Investor Tax Credit. The bill, which TCM testified in support of, passed the House and is pending in the Senate Budget and Taxation Committee.

Biotech Investor Tax Credit - SB 779 and HB 328, have each met the important crossover deadline, meaning they passed their chamber of origin. These bills allow a company to be eligible for the Biotech Investor Tax Credit for ten years after the company first uses the incentive rather than 10 years in active business. TCM supports this change and believes it better meets the needs of biotech companies. In the FY2014, which is separate, the program receives \$10 million in funding, a \$2 million increase over the current fiscal year. This is a major victory for the biotech industry.

Biosimilars - SB 781 passed the Senate, but faces a more difficult challenge in the House. The bill, which 781 outlines a biosimilars framework and pathway that will ensure patient safety, will be heard next week in the House Health and Government Operations Committee. TCM will testify in support of the legislation.

Combined Reporting - SB 469 was defeated in the Senate Budget and Taxation Committee by the same 7-6 vote as last year. The two House bills are technically alive but are unlikely to move this session. This issue will return next session and likely beyond.

Stem Cell Research Fund - Stem cell research received level funding of \$10.4 million in the FY2014 budget. Separately, SB 368 and HB 779, which require additional and unnecessary reporting that TCM opposes, are still pending.

Invest Maryland Program - SB 70, which makes technical changes to the Invest Maryland program, passed the Senate and was heard in the House. TCM supports this bill, which was introduced by the Department of Business and Economic Development to address some

Bills To We Watch For You

The following are bills we are watching for you during the 2013 session of the Maryland General Assembly. The legislation is organized by topic and then by bill number. Each bill has a title, number (with a link to the General Assembly's website for more detailed information), sponsor, summary, status and TCM's position.

Technology/Biotechnology Legislation

Business and Economic Development - Enterprise Fund and Invest Maryland Program (SB 70)

Sponsor: Department of Business and Economic Development

Summary: Alters the uses and composition of the Enterprise Fund in the Department of Business and Economic Development (DBED). Authorizes DBED to acquire an ownership interest exceeding 25% when making an equity investment in one or more venture or private equity firms. Expands prohibitions to apply to a purchaser of tax credits under the Invest Maryland Program. Alters the date by which each venture firm and the Financing Authority shall report to DBED on investments.

Status: Referred to the Senate Budget and Taxation Committee. Reported from Committee. Passed Senate 47-0. Referred to the House Ways and Means Committee.

TCM Position: Support. TCM is a strongly supports ensuring the success of the Investment Maryland program and supports these technical changes.

Commercial Law - Cancellation of Sales of Motor Vehicles and Internet Sales (SB 116)

Sponsor: Senator Benson

Summary: Would have required businesses engaged in internet sales to provide the buyer with: (1) A fully completed receipt or copy of any contract that contains the date of the transaction and the name and address of the seller; (2) a statement that the buyer may cancel the internet sale until midnight of the third business day after the date of the sale and a description of how the buyer may cancel the internet sale; and (3) a description of how the buyer may return the consumer goods to the seller at the expense of the seller if the buyer exercises the right to cancel.

Status: *Unfavorable report and withdrawn.*
TCM Position: Monitored.

Income Tax Credit - Qualified Research and Development Expenses - Credit Amounts and Small Business Refund (SB 203 / HB 386)

Sponsor: Senator King, et al / Delegate Barve, et al

Summary: Increases the annual cap for the Maryland Research and Development Tax Credit from \$6 million to \$18 million. Allows not yet profitable companies to utilize the Maryland R&D Tax Credit for the first time. Provides that specified unused credits may be claimed as a refund.

infrastructure and higher education system.

The 2013 Policy Platform outlines TCM's legislative and budget priorities for Maryland. The document is shared with important policymakers and is the foundation for our advocacy efforts in Annapolis. To read the complete 2013 TCM Policy Platform, [click here](#).

TCM Government Relations Committee

The Government Relations Committee, chaired by MedImmune's Julie Garner, provides guidance and leadership to TCM's advocacy efforts during the legislative session and throughout the year. If you have any questions about TCM's advocacy efforts or wish to join the Government Relations Committee, please contact Brian Levine at 240-243-4044 or [email](#).

Contact Your Elected Representatives

Especially during the legislative session, but even in between sessions, it is important for members of TCM to contact their legislators in Annapolis. Elected officials want to hear from their constituents about what is important to your business. To find out who your elected officials are, just type your home or work address in [this link](#). If you need any assistance, please contact [Brian Levine](#).

Key 2013 Session Dates

January 9 – General Assembly convenes

January 16 – Final date for Governor to introduce budget bill

January 22 – Senate and House bill request guarantee date

February 1 – Senate bill introduction date (Senate bills introduced after this date referred to the Senate Rules Committee)

February 8 – House bill introduction date (House bills introduced after this date referred to the House Rules and Executive Nominations Committee)

March 4 – Final date for introduction of bills without suspension of Rules

March 19 – Committee Reporting Courtesy Date (each Chamber's committees to report their own bills by this date)

March 25 – Opposite Chamber Bill Crossover Date (each Chamber to send to other Chamber those bills it intends to pass favorably)

April 1 – Budget bill must be passed by both Chambers

April 8 – General Assembly adjourns at midnight

technical changes needed for the program, which provides early and venture stage funding for innovative Maryland companies.

Security Clearance Costs - A bill to double the cap on security clearance incentives that passed last year, is unlikely to pass. TCM supported last year

Economic Incentives - A variety of bills (SB 719/HB 956, SB 719/HB 681, HB 1231) seek to intentionally weaken Maryland's economic development incentives for job growth appear headed for defeat as of right now. TCM, which opposed these bills, will keep a close eye on them for the remainder of the session.

Internet Taxes - A bill, HB 1487, was introduced late in the session that seeks to get a foot in the door to tax Internet sales. The bill appears dead and Congress is currently debating the Marketplace Fairness Act, which grants states the authority to compel online retailers to collect sales taxes as non-Internet retailers do. TCM believes the federal government should act on this issue.

Employment Advancement Right Now - Governor Martin O'Malley EARN bill passed. The bill creates a \$2.5 million annual grant program for workforce training programs for skills needed by industry, including those in innovation.

Transportation Revenues Becoming Likely

Another TCM priority is increasing funding for Maryland's aging and overtaxed transportation infrastructure. Without investment in a modern and efficient transportation system, Maryland's technology and biotechnology industries face obstacles to growth. HB 1515, a bill proposed by Governor Martin O'Malley and supported by Senate and House leadership, has cleared a major hurdle by passing the House of Delegates. The heavily amended bill raises approximately \$600 million a year in additional funding for Maryland's Transportation Trust Fund. Under the amended bill, the sales tax on gas would rise in three stages to 3 percent on July 1, 2015. After that it could continue to increase to as much as 5 percent on July 1, 2016 if Congress does not approve the federal Marketplace Equity Act, which allows states to collect a sales tax on Internet sales. Currently, Maryland taxes a gallon of gas at 23.5 cents, which has not changed since 1992. The bill will be debated in the Senate shortly and has a good chance for passage. TCM made the difficult decision last year to support a gas tax increase that helps improve Maryland's roads and transit. To TCM, it's a key component to making Maryland a great place for a technology or biotechnology company start, grow and thrive. Virginia, in their recently completed session, enacted gas tax increase for its own roads and transit priorities.

Maryland Budget Passes Without Major Changes

Maryland's FY2014 budget appears headed for a fairly easy passage. This is due in part to budget cuts and increased revenues from recent tax increases and a slowly growing economy. State spending in the budget increases by roughly two

Applies to the Maryland R&D Tax Credits certified after December 15, 2013.

Status: SB 203 Referred to the Senate Budget and Taxation Committee. HB 386 referred to the House Ways and Means Committee. Reported from Committee. Passed House 103-27. Referred to the Senate Budget and Taxation Committee.
TCM Position: Support. Increasing the cap of the R&D Tax Credit and allowing not yet profitable companies to participate are top priorities for TCM. The House bill reduces the cap increase to \$8 million (instead of \$18 million).

Consumer Protection - Television Service Providers - Missed Appointments (SB 220 / HB 117)

Sponsor: Senator McFadden / Delegate Branch, et al

Summary: Requires that if a television service provider does not begin an installation or repair service within the specified three-hour period, the subscriber shall receive installation free of charge or if a repair was scheduled, a credit or payment in an amount not less than the current charge for one month's basic television service.

Status: SB 220 unfavorable report. HB 117 referred to the House Economic Matters Committee.

TCM Position: Oppose. These bills may have the unintended consequence of harming telecommunications innovation and investment in Maryland.

State Government - Administrative Procedure Act - Effective Date of Adopted Regulation (SB 261 / HB 16)

Sponsor: Senator Young, et al / Delegate Branch, et al

Summary: Requires that adopted nonemergency regulations be adopted quarterly.

Status: SB 261 referred to the Senate Education, Health and Environmental Affairs Committee. Hearing February 21. HB 16 referred to the House Health and Government Operations Committee. Hearing January 31. Reported from Committee. Passed House 137-0. Referred to the Senate Education, Health and Environmental Affairs Committee.

TCM Position: Monitor.

Maryland Health Progress Act of 2013 (SB 274 / HB 228)

Sponsor: Senate President / House Speaker

Summary: Alters certain eligibility requirements for the Maryland Medical Assistance Program. Requires the Department of Health and Mental Hygiene to implement certain provisions of federal health care law.

Status: SB 274 referred to the Senate Finance Committee and Budget and Taxation Committee. Reported from Committee. HB 228 referred to the House Health and Government Operations Committee. Reported from Committee. Passed 93-43. Referred to the Senate Finance and Budget and Taxation Committees.
TCM Position: Monitor.

Maryland Stem Cell Research Fund - Annual Report - Government Transparency Requirements (SB 368 / HB 779)

Sponsor: Senators Peters & DeGrange / Delegate Tarrant, et al

Summary: Requires the Maryland Stem Cell Research Fund annual report to include: (1) information on the awarded a grant or loan; (2) the institution or company where each grant or loan recipient is employed; (3) the amount of money awarded to each grant or loan; (4) a description of

percent and Maryland's structural deficit is reduced to about \$132 million. The rainy day fund is increased and allowances have been made for the possibility of future federal spending cuts. As recently as two years ago, the structural deficit (the difference between annual expected revenues and expenses) was closing in on \$2 billion. This year's budget does not include tax increases or major budget cuts. A gas tax increase is pending, but that revenue goes to the Transportation Trust Fund and thereby does not impact Maryland's General Fund budget. The \$36.8 billion budget includes a number of priorities for TCM members including \$10 million for the Biotech Investor Tax Credit, \$10.4 million for stem cell research and \$5 million for the Maryland Innovation Initiative. There were no significant cuts to the budgets of DBED for TEDCO.

TCM FY2014 General Fund Budget Priorities

The following FY2014 General Fund budget items are top priorities for TCM during the 2013 session. To view a copy of the complete FY2014 General Fund budget, click [SB 125](#).

Department of Business and Economic Development (DBED) –

TCM supports fully funding DBED's FY2014 budget request of \$137.3 million. Budget requests for important programs in DBED's budget include \$10 million for the Biotech Investor Tax Credit, \$3.56 million for the Maryland Biotechnology Center and \$3 million for the proposed CyberMaryland Investment Tax Credit. *Budget analysts recommended a \$2 million cut to the \$10 million budget allocation for the Biotech Investor Tax Credit. TCM opposed this recommendation. Update -- the House and Senate voted to reject the cut, meaning the Biotech Investor Tax Credit will be funded at \$10 million in FY2014.*

Maryland Technology Development Corporation (TEDCO) –

TCM supports fully funding TEDCO's \$18.57 million FY2014 budget request. Budget requests for important programs in TEDCO's budget include \$5 million for the Maryland Innovation Initiative and \$10.4 million for the Maryland Stem Cell Research Fund. *Update - TEDCO's budget received no significant cuts.*

the type of stem cell research performed by each grant or loan recipient; (5) the year each grant or loan was awarded; (6) the grant or loan number assigned to each award; and (7) if the funding period of a grant or loan recipient's award ended during the calendar year covered by the report, the results of the state-funded research, including the number of patients treated as a direct result of the research.

Status: SB 368 referred to the Senate Finance Committee and Budget and Taxation Committee. Reported from Committee. Passed Senate 47-0. Referred to the House Health and Government Operations Committee. HB 779 referred to the House Health and Government Operations Committee.

TCM Position: Oppose. TCM supports the Maryland Stem Cell Research Fund and believes this bill weakens the program.

Economic Development - Sickle Cell Disease Research Program ([SB 384](#) / [HB 726](#))

Sponsor: Senator Pugh / Delegate V. Turner, et al

Summary: Establishes the Sickle Cell Disease Research program to be administered by the Maryland Technology Development Corporation (TEDCO). Establishes that the purpose of the program is to promote milestone-driven translational research using bone marrow and umbilical cord blood to develop cures for sickle cell disease and establish Maryland as a key location for sickle cell disease research and treatment.

Establishes that the fund provides capital operating grants and loans to public and private entities in Maryland to develop cures for sickle cell disease using bone marrow and umbilical cord blood.

Status: SB 384 referred to the Senate Finance Committee. Reported from Committee. Passed Senate 47-0. Referred to the House Health and Government Operations Committee. HB 726 referred to the House Health and Government Operations Committee.

TCM Position: Monitor.

State Government - Health, Education, and Social Services Provider Data Warehouse ([SB 385](#) / [HB 327](#))

Sponsor: Senator Pugh, et al / Delegate Ready, et al

Summary: Requires the state to authorize private sector development of a data warehouse for providers of health, education and social services. Defines "data warehouse" as an internet-based, secure and consolidated document storage and retrieval system for corporate, fiscal and administrative data necessary for the licensing and procurement of health, education, and social services and made available to state agency personnel for those purposes.

Status: SB 385 referred to the Senate Education, Health and Environmental Affairs Committee. Hearing February 21. HB 327 referred to the House Health and Government Operations Committee. Hearing February 13.

TCM Position: Monitor.

Income Tax Credit - Security Clearances - Employer Costs ([SB 482](#))

Sponsor: Senator Manno

Summary: Doubles the allowed amount an individual or a corporation may claim credits against the State income tax for security clearance administrative expenses to \$200,000. Doubles the claimable amount of construction and equipment costs incurred to construct or renovate a single Sensitive Compartmented Information Facility (SCIF) to \$200,000. Doubles the claimable amount of construction and equipment costs incurred to construct or renovate multiple SCIFs to \$500,000.

Doubles the claimable amount of credits allowed to \$4,000,000 for any calendar year.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Support.

Commission on Cybersecurity Innovation and Excellence - Duties (SB 494 / HB 937)

Sponsor: Senator Pugh, et al / Delegate Lee, et al

Summary: Requires the existing Commission on Maryland Cybersecurity Innovation and Excellence to study how telemedicine can be used to reduce health care disparities and address primary care and specialty care provider shortages across the continuum of care.

Status: SB 494 referred to the Senate Finance Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Economic Matters Committee. HB 937 *unfavorable report*.

TCM Position: Monitor.

Maryland Medical Assistance Program - Telemedicine (SB 496)

Sponsor: Senator Pugh, et al

Summary: Requires the Maryland Medical Assistance Program to reimburse a health care provider for a health care service delivered by telemedicine in the same manner as the same health care service is reimbursed when delivered in person.

Status: Referred to the Senate Finance Committee. Hearing February 20. Reported from Committee

TCM Position: Monitor.

Washington County - Technology-Related Businesses - Payment in Lieu of Taxes

Agreements (SB 506 / HB 551)

Sponsor: Senator Shank, et al / Washington County Delegation

Summary: Requires the state to authorize private sector development of a data warehouse for providers of health, education and social services. Defines "data warehouse" as an internet-based, secure and consolidated document storage and retrieval system for corporate, fiscal and administrative data necessary for the licensing and procurement of health, education, and social services and made available to state agency personnel for those purposes.

Status: SB 506 referred to the Senate Budget and Taxation Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Ways and Means Committee. HB 551 referred to the House Ways and Means Committee. Reported from Committee. Passed House 139-0. Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Public-Private Partnerships (SB 538 / HB 560)

Sponsor: Governor, et al / Governor, et al

Summary: Establishes the policy of the State on public-private partnerships. Authorizes a reporting agency to establish a public-private partnership and execute an agreement in connection with specified functions, services, or assets.

Status: SB 538 referred to the Senate Budget and Taxation Committee. Hearing February 20. HB 560 referred to the House Environmental Matters and Appropriations Committees. Hearing February 15. Reported from Committee. Passed House 119-19. Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Economic Development - Job Creation Incentive Tax Credit (SB 615)

Sponsor: Senator Klausmeier, et al
Summary: Establishes the Job Creation Incentive Tax Credit Reserve Fund. Establishes that the purpose of the fund is to increase the number of new jobs in the state by encouraging the expansion and establishment of manufacturing enterprises, the expansion of existing private sector enterprises; and the establishment or attraction of new private sector enterprises. Requires an appropriation of \$10 million in FY 2015 and FY 2016.
Status: Referred to the Senate Budget and Taxation Committee.
TCM Position: Monitor.

Identity Fraud - Medical Records (SB 624 / HB 942)

Sponsor: Senator Pugh / Delegate Lee, et al
Summary: Prohibits a person from knowingly, willfully and with fraudulent intent, possessing, obtaining or helping another to possess or obtain personal identifying information to access medical information or services. Prohibits a person from knowingly and willfully assuming the identity of a natural or a fictitious person with fraudulent intent to access medical information or services. Recommendation of the Commission on Maryland Cybersecurity Innovation and Excellence.
Status: SB 624 referred to the Senate Judicial Proceedings Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Judiciary Committee. HB 942 referred to the House Judiciary Committee. Reported from Committee. Passed House 137-0. Referred to the Senate Judicial Proceedings Committee.
TCM Position: Monitor.

Hotel Rental Tax - Exemption - Lodging at a Corporate Training Center (SB 631 / HB 815)

Sponsor: Senator King, et al / Delegate Kaiser, et al
Summary: Provides an exemption from county hotel rental taxes for the sale of a right to occupy a room or lodgings as a transient guest at a dormitory or other lodging facility that: (1) is operated solely in support of the headquarters, a training, conference or awards facility or the campus of a corporation or other organization; (2) provides lodging solely for employees, contractors, vendors and other invitees of the corporation that owns the dormitory or lodging facility; and (3) does not offer lodging services to the general public.
Status: SB 631 referred to the Senate Budget and Taxation Committee. Reported from Committee. Passed Senate 37-9. Referred to the House Ways and Means Committee. HB 815 referred to the House Ways and Means Committee.
TCM Position: Monitor.

Governmental Procedures - Security and Protection of Information (SB 676 / HB 959)

Sponsor: Senator Pugh / Delegate Lee, et al
Summary: Requires a state and local governments, when destroying a resident's records that contain personal or private information of the resident, to take steps to protect against the unauthorized acquisition or use of the personal or private information. Recommendation of the Commission on Maryland Cybersecurity Innovation and Excellence.
Status: SB 676 referred to the Senate Education, Health and Environmental Affairs Committee. Hearing February 21. HB 959 referred to the House Health and Government Operations Committee.
TCM Position: Monitor.

Tobacco-Related Disease Products Research, Development, and Commercialization Program

(SB 708 / HB 948)

Sponsor: Senator Madaleno, et al / Delegate Reznik, et al

Summary: Establishes the Tobacco-Related Disease Products Research, Development and Commercialization Program and a fund whose purpose is to award grants to applicants for research, development and commercialization of innovative products and technologies that address tobacco-related diseases, including therapeutics, diagnostics and medical devices. Authorizes grants of \$200,000 for a single company or \$300,000 for a company collaborating with a nonprofit medical research institute or care facility in Maryland. Requires the Maryland Biotechnology Center in the Department of Business and Economic Development to administer the Fund.

Status: SB 708 referred to the Senate Finance Committee. Hearing February 19. HB 948 referred to the House Economic Matters Committee and Health and Government Operations Committee. Hearing March 6.

TCM Position: Monitor.

State and Local Government - Economic Aid - Award to Employers (SB 719 / HB 956)

Sponsor: Senator Ramirez / Delegate V. Turner, et al

Summary: Prohibits any state or local economic aid (tax credits, grants, tax reductions) if the recipient does not agree to meet a number of employment restrictions related to wage, hours and benefits.

Status: SB 719 referred to the Senate Budget and Taxation and Finance Committees. HB 956 *unfavorable report*.

TCM Position: Oppose.

Task Force on the Use of Telehealth to Improve Maryland Health Care (SB 776 / HB 934)

Sponsor: Senator Pugh / Delegate Lee, et al

Summary: Establishes the Task Force on the Use of Telehealth to Improve Maryland Health Care. Establishes that the task force shall: (1) identify opportunities to use telehealth to improve health status and health care delivery in Maryland and make recommendations regarding the use of telehealth.

Status: SB 776 referred to the Finance Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Health and Government Operations Committee. HB 934 referred to the House Health and Government Operations Committee. Reported from Committee. Passed House 138-0. Referred to the House Health and Government Operations Committee.

TCM Position: Monitor.

Biotechnology Investment Tax Credit - Qualified Maryland Biotechnology Company - Definition (SB 779 / HB 328)

Sponsor: Senator King / Delegate Feldman, et al

Summary: Alters the definition of "qualified Maryland biotechnology company" for purposes of the Biotechnology Investment Tax Credit to include a company that has been in active business no longer than 10 years from the date the company first received an investment by a qualified investor eligible to receive a credit.

Status: SB 779 referred to the Senate Budget and Taxation Committee. Reported from Committee. HB 328 referred to the House Ways and Means Committee. Reported from Committee. Passed House 108-29. SB 779 referred to the Senate Budget and Taxation Committee. Reported from Committee. Passed Senate 47-0. Referred to the House Ways and Means Committee.

TCM Position: Support. The proposed changes to the Biotech Tax Credit improve the program and widen the pool of life science companies eligible for this important program.

Pharmacists - Biosimilar Biological Products - Substitutions (SB 781)

Sponsor: Senator Conway

Summary: Authorizes that a pharmacist may substitute a biosimilar biological product for a prescribed biological reference product only if: (1) the biosimilar biological product has been approved by the U.S. Food and Drug Administration (FDA) to be interchangeable with the prescribed biological reference product for the use; and (2) the authorized prescriber does not state expressly that the prescription is to be dispensed only as directed. Authorizes that a biological product for a prescribed biological reference product, the pharmacist, shall: (1) notify the patient in writing that the biological product dispensed has been approved by FDA as an interchangeable biosimilar biological product for the prescribed biological reference product; (2) provide notification of the substitution to the authorized prescriber within five business days after the dispensing of the interchangeable biosimilar biological product; and (3) record on the prescription label and record of dispensing.

Status: Referred to the Senate Education, Health and Environmental Affairs Committee. Hearing February 27. Reported from Committee.

TCM Position: Support. These changes keep Maryland an attractive place for the pharmaceutical and life science industries.

Maryland Personal Information Protection Act – Revisions (SB 859 / HB 960)

Sponsor: Senator Pugh / Delegate Lee, et al

Summary: Requires businesses, when destroying a customer's records that contain personal or private information of the customer, to take steps and implement procedures to protect against unauthorized access to or use of the information. Redefines "encrypted" as protection of data in electronic or optical form, in storage or in transit, using an encryption technology that: (1) has been adopted by an established standards setting body of the federal government like NIST; and (2) renders the data indecipherable without an associated cryptographic key necessary to enable decryption of the data. Recommendation of the Commission on Maryland Cybersecurity Innovation and Excellence.

Status: SB 859 referred to the Senate Education, Health and Environmental Affairs Committee. HB 960 *unfavorable report*.

TCM Position: Monitor.

Public Safety - Response to a State Disaster or Emergency - Licensing and Taxes (SB 1037 / HB 1513)

Sponsor: Senator King, et al / Delegate Hixson

Summary: Provides that certain out-of-state businesses and out-of-state employees may not be considered to have established a presence in the State that would subject the businesses or employees to certain licensing, registration or tax requirements.

Status: SB 1037 referred to the Senate Budget and Taxation Committee. Reported from Committee. HB 1513 referred to the House Ways and Means Committee. Reported from Committee. Passed House 138-0. Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Maryland False Claims Act of 2013 (HB 509)

Sponsor: Delegate Arora, et al
Summary: Prohibits actions constituting false claims against a governmental entity. Provides for penalties for making false claims. Authorizes a person and the governmental entity to file a civil action against a person who makes a false claim.
Status: Referred to the House Judiciary Committee. *Unfavorable report and withdrawn.*
TCM Position: Monitor.

Public-Private Partnerships (HB 605)

Sponsor: Delegate Clagett
Summary: Establishes the policy of the State on public-private partnerships. Authorizes a reporting agency to establish a public-private partnership and execute an agreement in connection with specified functions, services, or assets.
Status: Referred to the House Environmental Matters and Appropriations Committees.
TCM Position: Monitor.

Invest Maryland Program - Alteration of Program Requirements (HB 681)

Sponsor: Delegate Fisher, et al
Summary: Repeals the requirements of the Invest Maryland Program regarding the allocation and use of designated capital by venture firms, the Enterprise Fund, the Rural Maryland Council and the Maryland Small Business Development Financing Authority. Repeals the Maryland Venture Fund Authority in the Department of Business and Economic Development (DBED). Requires DBED to allocate designated capital in equal amounts to the economic development unit of each county.
Status: Referred to the House Ways and Means Committee.
TCM Position: Oppose. TCM opposes changes to the Invest Maryland program, the Enterprise Fund and other valuable economic development programs that are effective.

Income Tax Credits - Maryland Qualified Research and Development Expenses - Credit Amounts (HB 751)

Sponsor: Department of Business and Economic Development
Summary: Increases the annual cap for the Maryland Research and Development Tax Credit from \$6 million to \$8 million.
Status: Referred to the House Ways and Means Committee. Hearing February 26.
TCM Position: Support in concept. TCM appreciates the introduction of this bill and asks that it be amended to look like SB 203/HB 386, which increase the cap to \$16 million and allow not yet profitable companies to be eligible to utilize the tax credit.

Income Tax - Business and Economic Development - Cybersecurity Investment Incentive Tax Credit (HB 803)

Sponsor: Department of Business and Economic Development
Summary: Provides a refundable tax credit for investments in Qualified Maryland Cyber Security Companies (QMCCs) of 33% of the investment in a single fiscal year up to a \$250,000 maximum. Requires investors to maintain their investments for at least 3 years. Limits participation by a QMCC in the program to two years. Establishes that the tax credit will be administered by the Department of Business and Economic Development. Establishes a panel composed of experts in the area of cybersecurity technology. Requires the Governor to appropriate funds to the program every year. Establishes that the tax credit sunsets after five years beginning January 1, 2014. This tax credit is modeled on the successful Maryland Biotechnology

Investment Initiative Tax Credit, while taking into consideration the differences of the cybersecurity industry.

Status: Referred to the House Ways and Means Committee. Reported from Committee. Passed House 115-21. Referred to the Senate Budget and Taxation Committee.

TCM Position: Support. The cybersecurity industry should also be an industry focus for the economic development community. Maryland has built in advantages and the potential to create many jobs in cybersecurity.

Genetically Engineered Food - Disclosure and Labeling Requirements (HB 903)

Sponsor: Delegate Glass, et al

Summary: Establishes that food offered for retail sale in Maryland is misbranded if it is entirely or partially produced with genetic engineering and that fact is not disclosed.

Status: *Unfavorable report and withdrawn.*

TCM Position: Monitor.

Strategic Industry Partnership – Income Tax Credit (HB 1206)

Sponsor: Delegate Mitchell, et al

Summary: Allows an individual or corporation a credit against the State income tax for 75% of a monetary contribution to a strategic industry partnership. Requires the Department of Business and Economic Development to certify the amount of the credit that may be claimed.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

State Aid – Business Transparency and Financial Disclosure Act (HB 1231)

Sponsor: Delegate McMillan, et al

Summary: Requires corporations that receive at least \$25,000 in any State subsidy to file a disclosure report, including a summary of the number of jobs and a summary of the employee compensation plans, with the granting body that provides the subsidy.

Status: Referred to the House Health and Government Operations Committee.

TCM Position: Monitor.

Statewide Information Technology Master Plan – Security Policy (HB 1276)

Sponsor: Delegate Hough, et al

Summary: Requires the statewide information technology master plan to include a policy that requires a vendor selling an information technology product or piece of equipment to a unit of state government to establish that the product or piece of equipment is safe from embedded security threats.

Status: Referred to the House Health and Government Operations Committee.

TCM Position: Monitor.

Corporations and Associations – “Crowdfunding” Laws – Restrictions and Compliance (HB 1278)

Sponsor: Delegate Fisher, et al

Summary: Prohibits the Securities Commissioner of the Division of Securities from issuing any orders or adopting any rules, forms or regulations regarding issuers, securities and funding portals that are regulated under the federal Crowdfunded Act concerning a means of raising capital known as "crowdfunding."

Status: *Unfavorable report.*

TCM Position: Monitor.

Economic Development Programs – Data

Collection and Tracking (Maryland Jobs Development Act) (HB 1315)

Sponsor: Delegates Clagett & Zucker
Summary: Requires the Department of Business and Economic Development (DBED) to compile and report on data on the economic development programs administered by DBED and submit a report. Requires the report to include the following data: (1) the number of jobs created; (2) the number of jobs retained; (3) the estimated amount of state revenue generated; and (4) any additional information required by DBED through regulations. Requires the report to include data in the aggregate and disaggregated by each economic development program and each recipient of assistance from an economic development program. Requires that if a recipient of assistance from an economic development program is not meeting the requirements of the economic development program, DBED shall implement a process to assist the recipient in meeting the program requirements. Includes programs such as the Biotechnology Investment Incentive Tax Credit, the Research and Development Tax Credit, the Invest Maryland program, the Job creation Tax Credit and the One Maryland Economic Development Tax Credit.

Status: Referred to the House Economic Matters Committee. Reported from Committee. Passed House 136-0. Referred to the Senate Finance Committee.

TCM Position: Monitor.

Task Force to Improve the Business Climate in Maryland (HB 1326)

Sponsor: Delegates Mizeur, et al
Summary: Would have established a Task Force to Improve the Business Climate in Maryland. Would have required the task force to: (1) review and examine State laws and policies affecting the sustainability and growth of businesses in the State, including the resources available to new businesses formed in the State, the business tax structure and the length of time required to obtain permits and licenses needed to operate a business; (2) identify laws and policies affecting businesses that should be altered to make the State a more competitive business environment, eliminate unnecessary administrative burdens; and (3) make recommendations regarding whether existing laws and policies relating to businesses could better serve the business community and the public.

Status: *Unfavorable report and withdrawn.*

TCM Position: Monitor.

Task Force on Pharmacogenomics (HB 1430)

Sponsor: Delegate Shirley Nathan-Pulliam
Summary: Establishes a Task Force on Pharmacogenomics. Establishes that the task force shall: (1) examine the availability of genomic testing and its application to clinical practice; (2) examine how Maryland can adopt genomic testing as the standard of care; (3) determine the possible pharma coeconomic implications of adopting genomic testing; and (4) determine how health disparities may be reduced when genomic testing is added to the State armamentarium.

Status: Referred to the House Rules and Executive Nominations Committee.

TCM Position: Monitor.

Health - Genetically Modified Organisms in Food - Study (HB 1466)

Sponsor: Delegate Glass
Summary: Requires the Department of Health and Mental Hygiene to conduct a study of whether genetically modified organisms in food have an adverse effect on human health. Status: Referred

to the House Rules and Executive Nominations Committee.

Status: Referred to the House Rules and Executive Nominations Committee.

TCM Position: Monitor.

Sales and Use Tax - Online Sales Presumption (HB 1487)

Sponsor: Delegate Pena-Melnyk

Summary: Provides that, for purposes of the definition of "engage in the business of an out-of-state vendor" that sells or delivers tangible personal property or a taxable service under the sales and use tax law, a seller shall be presumed to have an agent, a canvasser, an independent contractor, a representative, a salesman or a solicitor operating in Maryland for the purpose of selling or taking orders for tangible personal property or a taxable service if: (1) the seller enters into an agreement with a resident of the state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers to the seller, whether by a link on an internet web site or otherwise; and (2) the cumulative gross receipts from sales by the seller to customers in the state who are referred to the seller by all residents having an agreement with the seller is greater than \$10,000 during the preceding four quarterly periods ending on the last day of February, May, August and November.

Status: Referred to the House Rules and Executive Nominations Committee.

TCM Position: Oppose.

Tax Climate Legislation

Corporate Income Tax - Rate Reduction (SB 34 / HB 261)

Sponsor: Senator David Brinkley / Delegate Schulz

Summary: Reduces the State corporate income tax rate from 8.25% to 6% for taxable years after tax year 2012.

Status: SB 34 referred to the Senate Budget and Taxation Committee. Hearing January 30. HB 261 referred to the House Ways and Means Committee.

TCM Position: Monitor.

Build Maryland Tax Credit Act (SB 138 / HB 1347)

Sponsor: Senators Manno & Mathias / Delegate McHale

Summary: Allows individuals and corporations to claim a credit against the State income tax for commercial real estate investment expenses in a priority funding area. Establishes the Infrastructure Investment Income Tax Credit Reserve Fund and requires the Governor to appropriate at least \$4 million to the fund. Requires that the credit certificate issued shall equal the lesser of 25% of the total depreciation to be allowed for the commercial real estate investment expenses for five years beginning with the year in which the expenses are incurred or \$25,000.

Status: SB 138 referred to the Senate Budget and Taxation Committee. HB 1347 referred to the House Ways and Means Committee.

TCM Position: Monitor.

Corporate Income Tax - Rate Reduction (SB 411)

Sponsor: Senator Garagiola, et al

Summary: Phases in a corporate tax rate cut from 8.25% to 7.75% over ten years in .05% increments.

Status: Referred to the Senate Budget and

Taxation Committee.
TCM Position: Monitor.

**Business Relief and Tax Fairness Act of 2013
([SB 469](#) / [HB 1246](#))**

Sponsor: Senator Pinsky, et al / Delegate Luedtke, et al

Summary: Requires corporations to compute Maryland taxable income with a combined reporting method reflecting the aggregate income tax liability of all the members of the group.

Status: SB 469 *unfavorable report*. HB 1246 referred to the House Ways and Means Committee.

TCM Position: Oppose. These corporate tax changes harm Maryland's technology and life science industries and make Maryland less competitive.

Corporate Income Tax - Rate Reduction ([SB 669](#))

Sponsor: Senator Kittleman, et al

Summary: Decreases the corporate income tax rate by 0.5% each year for 5 years, from 8.25% to 5.75%.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Corporate Income Tax - Rate Reduction ([SB 670](#))

Sponsor: Senators Kittleman & Edwards

Summary: Decreases the State income tax rate for a corporation from 8.25% to 0% of Maryland taxable income.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Corporate Income Tax - Rate Reduction ([HB 181](#))

Sponsor: Delegate Ready, et al

Summary: Reduces the State corporate income tax rate from 8.25% to 4% of Maryland taxable income of up to \$1,500,000 and to 7.25% in excess of \$1,500,000 for taxable years after 2012.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

Corporate Income Tax - Rate Reduction ([HB 533](#))

Sponsor: Delegate George, et al

Summary: Decreases the corporate income tax rate by 0.25% each year for 6 years, from 8.25% to 6.75%.

Status: Referred to the House Ways and Means Committee. Hearing March 12.

TCM Position: Monitor.

Corporate Income Tax - Investments in Maryland ([HB 850](#))

Sponsor: Delegate Fisher, et al

Summary: Reduces the Maryland corporate income tax rate from 8.25% to 6% for a corporation that makes qualifying investments in the State. Defines "qualifying investment" as: (1) an investment in Maryland; (2) the purchase of any capital equipment; (3) the purchase of any infrastructure; or (4) any expenses for research and development.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

Personal Property Tax - Investments in Maryland ([HB 856](#))

Sponsor: Delegate Fisher, et al

Summary: Provides an exemption from personal property tax for property that is owned by a business that has organized under the laws of Maryland during the current tax year or that relocates its headquarters to Maryland during the current tax year. Exempts all personal property from a property tax imposed by a county or municipality for all taxable years after June 30, 2015.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

Corporate Income Tax - Rate Reduction and Reform (HB 904)

Sponsor: Delegate Serafini

Summary: Alters from 8.25% to 4% the State income tax rate on the Maryland taxable income of corporations.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

Corporate Income Tax - Main Street Employer Tax Rebate (HB 1158)

Sponsor: Delegate Mizeur, et al

Summary: Requires corporations to compute Maryland taxable income using the combined reporting method. Establishes the Small Business Personal Property Tax Rebate Program to provide personal property tax rebates to businesses with fewer than 25 employees. Establishes the Small Business Personal Property Tax Rebate Fund.

Status: Referred to the House Ways and Means Committee. Hearing March 8.

TCM Position: Oppose. These corporate tax changes harm Maryland's technology and life science industries and make Maryland less competitive.

Commission on Tax Policy, Reform, and Fairness (HB 1302)

Sponsor: Delegate Dumais, et al

Summary: Establishes the Commission on Tax Policy, Reform and Fairness. Establishes that the commission shall: (1) study the current revenue structure of the State, including income, sales, corporate, motor fuel, excise, and property taxes, tax exemptions and credits and fees; (2) review the academic and economic research on state and local tax policy to assist in the overall assessment of efficacy, fairness, and competitiveness of the State's current revenue structure; (3) review the revenue structure of neighboring jurisdictions for the purpose of evaluating the regional competitiveness of the State's tax structure; (4) consider the nature of the State's economy and the importance of service and professional businesses to economic development; (5) consider whether or not the current revenue structure of the State should be reformed, modified and modernized; and (6) make recommendations regarding changes to the State's revenue structure that promote job growth and economic development.

Status: Referred to the House Ways and Means Committee.

TCM Position: Monitor.

Transportation Legislation

Transportation Trust Fund - Dedicated Highway Funds (SB 253)

Sponsor: Senator Brinkley, et al

Summary: Proposing an amendment to the Maryland Constitution to establish a Transportation

Trust Fund to be used only for purposes relating to transportation. Prohibits the reversion or crediting of any part of the Transportation Trust Fund to the General Fund or a special fund. Requires that certain tax and fee revenue credited to the Transportation Trust Fund be used only for specified highway purposes.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 6.

TCM Position: Monitor.

Sales and Use Tax - Motor Fuel - Local Transportation Tax (SB 362)

Sponsor: Senator Young

Summary: Authorizes counties and municipalities to impose a local motor fuels sales tax for local transportation purposes that may not exceed 2% of the taxable price for motor fuel.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

End the Gridlock (SB 643 / HB 524)

Sponsor: Senator David Rosapepe, et al / Delegate Feldman, et al

Summary: Creates a Transportation Investment Program by referendum. Requires the program: (1) shall include a list of transportation projects to be completed through the transportation investment program; (2) may include a source of revenue that may be used solely to fully or partially finance the projects identified in the transportation investment program; and (3) may authorize the issuance of bonds specifically to finance the projects. Requires that no part of the Transportation Trust Fund may revert or be credited to the general fund or a special fund of the state.

Status: SB 643 referred to the Senate Budget and Taxation Committee. HB 524 referred to the House Appropriations and House Ways and Means Committees.

TCM Position: Monitor.

Transportation Trust Fund - Financing - Use of Funds (SB 829)

Sponsor: Senator Miller, et al

Summary: Adds a new section to the Maryland Constitution to establish a Transportation Trust Fund to be used only for purposes relating to transportation except in specified circumstances. Prohibits the reversion or crediting of any part of the Transportation Trust Fund to the General Fund or a special fund of the State.

Status: Referred to the Senate Budget and Taxation Committee.

TCM Position: Monitor.

Transportation Financing Act (SB 830)

Sponsor: Senator Miller, et al

Summary: Authorizes the Maryland Transit Administration to establish no more than two transit benefit districts to impose specified taxes to finance, construct and operate transit facilities and transit services. Authorizes the governing body of a county to impose an additional tax on motor fuel.

Status: Referred to the Senate Budget and Taxation Committee. Hearing February 20.

TCM Position: Monitor.

Transportation Trust Fund - Use of Funds - Transit Financing (SB 1013)

Sponsor: Senators Pipkin & Brinkley

Summary: Requires that certain funds in the Transportation Trust Fund be allocated for highway expenditures, transit expenditures and other transportation expenditures. Establishes the Mass Transit Account in the Transportation Trust Fund.

Status: Referred to the Senate Budget and

Taxation Committee.
TCM Position: Monitor.

Transportation Infrastructure Investment Act of 2013 (SB 1054 / HB 1515)

Sponsor: Governor / Governor

Summary: Indexes motor fuel tax rates to inflation beginning in FY2014. Imposes a 1% sales and use tax equivalent rate on all motor fuel beginning in FY2014, increasing to 2% beginning on January 1, 2015 and to 3% beginning in FY2016. Requires that unless federal legislation on sales tax collection is enacted by December 1, 2015, the tax rate increases from 3% to 4% beginning January 1, 2016 and then increases to 5% beginning in FY2017. Requires that if federal legislation on sales tax collection is enacted and takes effect by December 1, 2015, the tax rate remains at 3% and the Comptroller is then required to distribute 4% of total State sales and use tax revenues to Transportation Trust Fund (TTF). Prohibits the transfer or diversion of funds from TTF unless the transfer is approved through legislation passed by a three-fifths majority of the Senate and House committees that deal with transportation. Creates exceptions to the prohibition on TTF transfers but only for defense or relief purposes. Increases the debt outstanding limit on Consolidated Transportation Bonds (CTBs) from \$2.6 billion to \$4.5 billion. Requires an increase in base fare prices and the cost of multiuse passes, to the nearest 10 cents, for all transit services except commuter rail and commuter bus service, based on a specified biennial increase in the Consumer Price Index. Establishes a Local and Regional Transportation Funding Task Force to study and make recommendations on the feasibility of creating regional transit financing entities and local-option transportation revenues to raise funds for local and regional transportation system needs. Increases the annual vehicle registration fee surcharge from \$13.50 to \$17.00.

Status: SB 1054 referred to the Senate Budget and Taxation Committee. HB 1515 referred to the House Ways and Means Committee. Reported from Committee. Passed House 78-56. Referred to the Senate Budget and Taxation Committee.

TCM Position: Support. Transportation infrastructure is one of the most important issues facing all businesses, including those in technology and life science.

Transportation Trust Fund Protection Act (HB 176)

Sponsor: Delegate Krebs, et al

Summary: Proposes an amendment to the Maryland Constitution to establish a Transportation Trust Fund to be used only for purposes relating to transportation. Prohibits the reversion or crediting of any part of the Transportation Trust Fund to the General Fund or a special fund of the State.

Status: Referred to the House Appropriations and House Ways and Means Committees.

TCM Position: Monitor.

Higher Education/Workforce Legislation

Maryland Employment Advancement Right Now (EARN) Program (SB 278 / HB 227)

Sponsor: Governor, et al

Summary: Establishes the Maryland EARN (Employment Advancement Right Now) program within the Department of Labor, Licensing and Regulation (DLLR) to create industry-led partnerships to advance the skills of the State's

workforce, grow the State's economy and increase sustainable employment for working families. Requires DLLR to establish and administer the program in consultation with the Department of Business and Economic Development and the Governor's Workforce Investment Board. Authorizes grants for an approved strategic industry partnership for development of a plan consistent with the purpose of the Maryland EARN Program, workforce training programs and other qualified programs that provide industry-valued skills training to individuals that results in a credential or identifiable skill consistent with an approved strategic industry partnership plan and job-readiness training and skills training that results in a credential or an identifiable skill. Defines "strategic industry partnership" as a collaboration that brings together a regional group of businesses, educational institutions and government agencies to identify common workforce needs for high-demand occupations within a target industry and develop and implement industry strategies to meet the common workforce needs and shortages based on regional needs. Strategic industry partnerships may include employers, nonprofits, institutions of higher education, community colleges, local workforce investment boards, local governments or other relevant partners. Effective June 1, 2013.

Status: SB 278 referred to the Senate Finance Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Economic Matters Committee. Reported from Committee. Passed House 115-23. Return Passed. HB 227 referred to the House Economic Matters Committee. Reported from Committee. Passed House 111-25. Referred to the Senate Finance Committee.

TCM Position: Support.

College Readiness and Completion Act of 2013
(SB 740 / HB 833)

Sponsor: Senators Pinsky & Madaleno / Delegates Kaiser & Bohanan

Summary: Requires the Maryland State Department of Education (MSDE) to establish math course requirements for students. Requires students to enroll in a college preparation curriculum. Requires MSDE to make an assessment of all students in the 11th grade. Requires MSDE to develop and implement math courses for the 12th grade.

Status: SB 740 referred to the Senate Education, Health and Environmental Affairs Committee and Budget and Taxation Committee. Reported from Committee. Passed Senate 46-0. Referred to the House Ways and Means and Appropriations Committees. HB 833 referred to the House Ways and Means and Appropriations Committees.

TCM Position: Monitor.