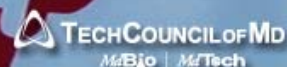


ANNAPOLIS REPORT



April 20, 2011 - Issue 6

We Work For You

The 2011 session of the Maryland General Assembly is upon us. The legislature will be taking up a number of issues that impact our tech and biotech community. 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.

Tech Council of Maryland's Advocacy Team

For more information about TCM's advocacy efforts, contact:

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The Tech Council of Maryland

TCM is Maryland's largest tech and biotech industry association. Our membership consists of almost 500 tech and biotech companies, along with government, academia and service providers, who employ more than 250,000 people in Maryland and the region. 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 tech and biotech community 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 2011 Policy Platform Top Priorities

- Support, expand or create a new program that helps capitalize early-stage and venture investment for innovative companies.

- Increase funding for valuable economic development incentives like the Biotech Tax Credit, Maryland Venture Fund, R&D Tax Credit, MIPS and programs at TEDCO.

- Oppose new business taxes and harmful corporate tax changes, including combined reporting.

- Develop and implement long-term, stable funding solutions for Maryland's transportation infrastructure and higher education system.

The 2011 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 download the complete 2011 TCM Policy Platform, click [here](#).

TCM Government Relations Committee

The Government Relations Committee 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 [Brian Levine](mailto:blevine@techcouncilmd.com).

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

2011 Session Wrap-Up

The 2011 session of the Maryland General Assembly ended April 11 at midnight. Overall, the session was extremely productive for TCM's members and Maryland's most innovative industries. TCM, with help from its active membership and economic development partners, was able to realize significant legislative and budgetary accomplishments this year.

Most notably, one of TCM's top priorities, the **Invest Maryland** program, passed on the last day of session. This program, proposed by Governor Martin O'Malley, creates roughly \$75 million in funding over the next five years for Maryland's early-stage and venture-stage tech and biotech companies. The program provides one-third of the funds to the Maryland Department of Business and Economic Development's venture fund, which focuses investments in seed- and early-stage Maryland companies. The other two-thirds of the funds will be distributed and invested in more mature Maryland companies by private venture capital firms. This program infuses much needed funding for Maryland's innovation economy at a time when the capital markets make it challenging for tech and biotech companies to survive, invest and grow.

Other notable accomplishments include a two-year eligibility extension for biotech companies utilizing the Biotech Tax Credit. The Biotech Tax Credit was also funded at \$8 million for Fiscal Year 2012 beginning July 1, the second year in a row at that level and a 33% increase from two years ago. TCM played an important role in the creation of the Commission on Cybersecurity Innovation and Excellence, which will study and recommend ways to make Maryland a national leader in this important field. Maryland's Coordinating Emerging Nanobiotechnology Research (CENTR) Program, which funds industry-leading research nanobiotechnology projects, received \$2.4 million in funding for the next fiscal year. The program had been unfunded since 2009 when the program was put into law. Stem cell research funding received no budget cuts and will be funded at \$12.4 million.

Often times what does not pass is as much a victory as what does pass. We were able to partner with other leaders in the business community to defeat a variety of harmful legislation. TCM helped defeat a bill that would have ended all tax credit programs and then put the onus on the legislature to reinstate them, including the Biotech Tax Credit and Research and Development Tax Credit. We also helped defeat onerous corporate tax changes like combined reporting and a permanent tax increase for Marylanders with over a million dollars of tax income, which impacts many small businesses. TCM also worked to defeat legislation harmful to some of Maryland's important job creation engines in telecommunications and biopharmaceuticals.

Overall, this was a very good session for Maryland's innovative companies. TCM works very hard in Annapolis and these efforts are paying off with results. Policymakers continue to place a greater emphasis on the importance of the tech and biotech industry sectors and their vital role in Maryland's economy.

Thank you to TCM's Government Relations Committee, chaired by Human Genome Sciences' Jerry Parrott, and all of our members who engaged in our advocacy efforts. It is with and for all of our members that we celebrate these great wins in Annapolis.

Bills We Watched For You

The following are bills we watched for you during the 2011 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 - Invest Maryland Program ([SB 180](#) / [HB 173](#))

Sponsor: Governor, et al

Summary: Establishes the Invest Maryland Program to capitalize innovative seed, early and later stage Maryland companies. Allows insurance companies to purchase credits against the insurance premium tax to fund the Invest Maryland program (\$70 million - \$75 million over five years projected). Creates the Maryland Venture Fund Authority, a nine-member authority to provide advice and counsel regarding the administration of the Invest Maryland program. Establishes that qualified investments are in companies that have fewer than 250 employees and are not engaged in retail, real estate development, insurance, banking, lending or professional services by accountants, attorneys or physicians. Allocates two-thirds of funds to private venture firms decided on by the Venture Fund Authority and one-third to the Maryland Enterprise Fund at the Department of Business and Economic Development, with 25% of that money allocated to the Maryland Small Business Development Financing Authority's Equity Participation Investment Program. Effective July 1, 2011.

Final Status: SB 180 did not pass. HB 173 passed and is awaiting Governor's signature.

TCM Position: Supported

Corporations and Associations - Low-Profit Limited Liability Companies ([SB 209](#) / [HB 552](#))

Sponsor: Senators Kelley & Raskin

Summary: Would have allowed a limited liability company (LLC) to be formed as an L3C if: (1) its business purpose is to significantly further one or more charitable or educational purposes within the meaning of § 170(c)(2)(B) of the Internal Revenue Code (IRC); (2) it does not have as a significant purpose the production of income or the appreciation of property; and (3) it does not have as a purpose the accomplishment of one or more political or legislative purposes within the meaning of § 170(c)(2)(D) of the IRC. An L3C is a for-profit LLC with a primary goal of achieving a charitable or educational purpose.

Final Status: SB 209 received an unfavorable report. HB 552 received an unfavorable report.

TCM Position: Monitored

Biotechnology Investment Tax Credit - Qualified Maryland Biotechnology Company ([SB 485](#) / [HB 587](#))

Sponsor: Senator King, et al / Delegate Feldman

Summary: Allows a Qualified Maryland Biotechnology Company to include a company that has been in active business for up to 15 years (instead of 12 years in current statute) for Fiscal Years 2012 and 2013. *Effective July 1, 2011.*

Final Status: SB 485 did not pass. HB 587 passed and is awaiting Governor's signature.

TCM Position: Supported

Commission on Maryland Cybersecurity Innovation and Excellence ([SB 557](#) / [HB 665](#))

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

Summary: Establishes the Commission on Maryland Cybersecurity Innovation and Excellence. Requires a representative from the Tech Council of Maryland to serve on the commission. Requires the commission to: (1) review inconsistencies in cybersecurity laws, policies and best practices for

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 2011 Session Dates

January 12 – General Assembly convened

January 25 – Senate and House bill request guarantee date

February 3 – Governor's State of the State Address

February 4 – Senate bill introduction date (Senate bills introduced after this date referred to the Senate Rules Committee)

February 11 – House bill introduction date (House bills introduced after this date referred to the House Rules and Executive Nominations Committee)

March 7 – Final date for introduction of bills without suspension of Rules

March 22 – Committee Reporting Courtesy Date (each Chamber's committees to report their own bills by this date)

March 28 – Opposite Chamber Bill Crossover Date (each Chamber to send to other Chamber those bills it intends to pass favorably)

April 4 – Budget bill must be passed by both Chambers

April 11 – General Assembly adjourns at midnight

Special Session Scheduled for the Fall

While the 2011 session ended April 11, legislators will be called back to a special session later this year to address legislative redistricting. Every ten years after the U.S. Census, the legislature meets in a special session as part of the process to redraw legislative boundaries. This year's session, however, may address more than redistricting. Some legislators want to take up other issues such as transportation funding or perhaps other items. A lot can change in a few months, so TCM will keep a close eye on any developments in order to best represent the interests of our members.

Bill Signing Ceremonies

Every year the Governor signs legislation into law on one of four bill signing ceremony dates. This year, the dates are April 12 (traditional day after session date), April 25, May 10 and May 19. All ceremonies will begin at 10 a.m. and take place in the Annapolis State House. The public is invited to witness the bill signing and be in a photo of the bill signing. If you want to participate or need more information about how to participate, please contact [Brian Levine](#).

Governor Unveils Economic Development Commission's Five-Year Strategic Plan

Governor Martin O'Malley joined the Maryland Economic Development Commission for the release of their five-year strategic economic development plan called "*Charting Maryland's Economic Path: Discovery, Diversity & Opportunity*." The Commission developed the plan over 18 months with input from more than 250 business owners and four regional roundtable discussions. The plan is organized into four major themes: (1) position Maryland for growth through accelerating efforts to sustain a knowledge-dependent, global, entrepreneurial economy, driven by innovation; (2) *build on, and protect, leading drivers of economic growth*, such as life sciences, information technology, and federal and military-related economic activity; (3) *embrace regional and economic diversity*, by investing in and transforming Maryland's traditional sectors of agriculture, manufacturing and tourism; and (4) *make it easy to do business and live in Maryland* (state, local and federal), through transparency, predictability and automation. The full report can be downloaded [here](#).

TCM FY2012 General Fund Budget Priorities

The following FY2012 General Fund budget items were top priorities for TCM during the 2011 session. To view a copy of the complete FY2012 General Fund budget, click [HB 70](#).

Department of Business and Economic Development (DBED)

– TCM supported fully funding DBED's FY2012 budget request of \$94.8 million. Some important programs in DBED's budget include the Biotech Tax Credit, the Maryland Biotechnology Center and the Enterprise and Challenge Investment Programs.

Biotech Tax Credit – TCM supported fully funding the FY2012 \$8 million budget request for the Maryland Biotechnology Investment Tax Credit Reserve Fund, which is administered by DBED. *This program was fully funded at the requested \$8 million for FY2012.*

Maryland Biotechnology Center – TCM supported fully funding the FY2012 \$3.78 million budget for the Maryland Biotechnology Center in DBED. *This program was fully funded at the requested \$3.78 million for FY2012.*

Enterprise and Challenge Investment Programs

– TCM supported fully funding the FY2012 \$1.2 million budget request for the Maryland Enterprise Investment Fund and Challenge Programs, which are administered by DBED. *This program was fully funded at the requested \$1.2 million for FY2012.*

Maryland Technology Development Corporation (TEDCO)

– TCM supported fully funding TEDCO's \$15.673 million FY2012 budget request. Some important programs in TEDCO's budget include the Maryland Technology Transfer and Commercialization Fund (MTTCF), the Maryland Industrial Partnerships Program (MIPS),

ensuring the security of systems and networks used by educational institutions and State government that work with health care records, personal identification information, public safety and utilities; (2) review the State's role in promoting cyber innovation and identify any federal preemption issues; (3) provide recommendations for a strategic plan including recovery from an attack, economic development opportunities and attraction of private sector investment; and (4) make recommendations for a unit of State government that is suitable to run a cybersecurity pilot program and the designation of a policy official that would be responsible for coordinating the State's cybersecurity policies, strategies, and activities. Requires an interim report by January 1, 2012 and a final report by September 1, 2014. Effective July 1, 2011.

Final Status: SB 557 passed and is awaiting Governor's signature. HB 665 passed and is awaiting Governor's signature.

TCM Position: Supported

Public Service Commission - Telephone Companies - Line Assessment ([SB 619](#) / [HB 708](#))

Sponsor: Senator Manno, et al / Delegate Hucker, et al

Summary: Would have authorized the Public Service Commission to require a telephone company to conduct an assessment of lines owned or operated by the telephone company every three years to study any maintenance, security or reliability problems on the lines. Would have required a telephone company to submit a written assessment report of its findings to the Public Service Commission, including a detailed description of how the telephone company will resolve any problems discovered in the study.

Final Status: SB 619 received an unfavorable report. HB 708 received an unfavorable report.

TCM Position: Opposed

Pharmacies - Taking Back and Disposing of Unused Drugs ([SB 577](#) / [HB 3](#))

Sponsor: Senators Muse & Benson / Delegate Kris Valderrama

Summary: Would have required pharmacies to take back and dispose of unused prescription and nonprescription drugs in accordance with guidelines established by the United States Food and Drug Administration.

Final Status: SB 577 received an unfavorable report. HB 3 received an unfavorable report.

TCM Position: Monitored

Economic Development - Green Business Incentive Zones ([SB 646](#) / [HB 795](#))

Sponsor: Senator Ramirez / Delegate Summers, et al

Summary: Would have authorized the creation of green business incentive zones. Defines "green business" to mean a business entity that is primarily engaged in researching, manufacturing, or deploying: (1) renewable energy technologies or services; (2) energy storage technologies or services; (3) energy efficiency and conservation technologies or services; or (4) other technologies that contribute to the production of energy from renewable or sustainable sources.

Final Status: SB 646 did not pass. HB 795 did not pass.

TCM Position: Monitored

Pharmacy Benefits Managers - Specialty Drugs ([SB 698](#))

Sponsor: Senator Klausmeier

Summary: Requires a pharmacy benefits manager to obtain approval from the State Board of Pharmacy before the pharmacy benefits manager designates prescription drugs as specialty drugs on a formulary.

Final Status: Did not pass.

TCM Position: Monitored

Health Insurance - Prescription Drugs - Cost-Sharing Obligations ([SB 709](#) / [HB 251](#))

Sponsor: Senator Klausmeier / Delegates Nathan Pulliam & Pena-Melnyk

Summary: Would have prohibited health insurers, nonprofit health service plans and health maintenance organizations from imposing a cost-sharing obligation for a covered prescription drug that exceeds a specified dollar amount. Would have Authorized an increase in the cost-sharing obligation.

Final Status: SB 709 received an unfavorable report. HB 251 received an unfavorable report.

TCM Position: Monitored

Maryland Stem Cell Research Fund - Annual Report and Related Events ([SB 731](#) / [HB 870](#))

the Stem Cell Research Fund and incubator support.

Maryland Stem Cell Research Fund (MSCFR) – TCM supported fully funding the FY2012 \$12.4 million budget request for stem cell research funding, which is administered by TEDCO. *This program was fully funded at the requested \$12.4 million for FY2012.*

TCM FY2012 Capital Budget Priorities

The following FY2012 Capital budget items are top priorities for TCM during the 2011 session. To view a copy of the complete FY2012 Capital budget, click [HB 71](#).

East Baltimore Biotechnology Park – TCM supported fully funding the FY2012 \$2.5 million Capital budget request for the East Baltimore Biotechnology Park. *This program was funded at \$2.5 million for FY2012.*

University of Maryland Physical Sciences Complex – TCM supported fully funding the FY2012 \$44.1 million Capital budget request to construct Phase 1 of a new physical sciences complex to provide modern laboratory and office space for the Department of Physics, the Department of Astronomy and the Institute for Physical Sciences and Technology. *This program was funded at \$44.1 million for FY2012.*

Sponsor: Senator Astle, et al / Delegate Frank
Summary: Would have required the Maryland Technology Development Corporation and the Stem Cell Research Commission to report to the public on the progress of State-funded stem cell research by holding a public symposium on or before January 1 each year. Would have required recipients of money from the Maryland Stem Cell Research Fund to present the results of State-funded stem cell research at the symposium.
Final Status: SB 731 received an unfavorable report. HB 870 received an unfavorable report.
TCM Position: Monitored

Economic Development - Task Force on Industrial Job Creation in Baltimore County ([SB 746](#))

Sponsor: Senator Stone
Summary: Creates the Task Force on Job Creation. Requires the task force to: (1) determine the causes of the loss of employment opportunities in industry, ship building and repair and businesses that supply industry to Baltimore County to determine their effectiveness; (2) identify current State policies on job creation in industry, ship building and repair and businesses that supply industry to Baltimore County to determine their effectiveness; and (3) make recommendations regarding ways Maryland can encourage Baltimore County industrial economic development attraction and retention. Requires the task force to submit a final report by June 1, 2012. *Effective July 1, 2011.*
Final Status: Passed and awaiting Governor's signature.
TCM Position: Monitored

Prescription Drug Repository Program - Disposal of Prescription Drugs and Medical Supplies ([SB 770](#) / [HB 460](#))

Sponsor: Senators Conway & Montgomery
Summary: Alters the purpose of the Prescription Drug Repository Program to include disposal of prescription drugs and medical supplies. Alters the definition of "repository" to include a licensed pharmacy approved by the State Board of Pharmacy to dispose of prescription drugs and medical supplies. Prohibits the Program from requiring a private entity to establish, operate or fund a drop-off site or disposal program. *Effective October 1, 2011.*
Final Status: SB 770 passed and awaiting Governor's signature. HB 460 passed and awaiting Governor's signature.
TCM Position: Monitored

Budget Reconciliation and Balancing Act ([SB 984](#))

Sponsor: Senators Pipkin & Brinkley
Summary: Would have repealed the Stem Cell Research Fund and the Stem Cell Research Commission.
Final Status: Did not pass.
TCM Position: Monitored

Public-Private Partnerships to Promote Broadband Internet Access ([SJ 5](#))

Sponsor: Senator Benson, et al
Summary: Would have urged counties and municipalities to promote and facilitate the creation of public-private partnerships to provide access to broadband Internet and related information technology to all Maryland residents, particularly those living in urban centers or underserved communities.
Final Status: Unfavorable report.
TCM Position: Monitored

State Government - Regulations Affecting Small Businesses and Economic Impact Analysis ([HB 449](#))

Sponsor: Delegate Hough, et al
Summary: Would have required Maryland agencies to include in an economic impact analysis of a proposed regulation that will have a meaningful impact on small businesses a description of less intrusive or less costly alternative methods to achieve the purpose of a regulation proposed by an agency and an assessment of the effect and practicality of exempting small businesses from the regulation.
Final Status: Unfavorable report.
TCM Position: Monitored

Task Force to Review State Regulations ([HB 524](#))

Sponsor: Delegates Clagett & James
Summary: Would have established a Task Force to Review State Regulations. Requires the task force to: (1) examine the regulatory actions of units of State government; (2) identify actions that State

government might take to achieve regulatory goals while at the same time promote innovation; (3) identify and suggest regulatory approaches that may reduce burdens; and (4) consider how units of State government could undertake a retrospective analysis of its regulations.

Final Status: Unfavorable report.

TCM Position: Monitored

Maryland Biotech SBIR and STTR Bridge Program (HB 571)

Sponsor: Delegate Lee, et al

Summary: Would have established a Maryland Biotech SBIR and STTR Bridge Program to be administered by the Maryland Technology Development Corporation to provide bridge funding to eligible biotechnology businesses that have completed an SBIR (Federal Small Business Innovation Research Program) or STTR (Federal Small Business Technology Transfer Research Program) Phase I project and have applied for an SBIR or STTR Phase II award. Would have required that for a biotechnology business to receive one of the 10 grants per year of no more than \$100,000, it must certify that: (1) more than 50% of the research described in the SBIR or STTR Phase I proposal will be conducted in Maryland; (2) the eligible biotechnology business will maintain its principal place of business in the state for the duration of the SBIR or STTR Phase II project; and (3) the eligible biotechnology business will not receive concurrent funding from another source that duplicates the purpose of this program.

Final Status: Unfavorable report.

TCM Position: Supported

Civil Actions - Class Action Waiver in a Written Agreement - Unenforceability (HB 729)

Sponsor: Delegate Simmons

Summary: Would have required that a written agreement made before a dispute arises between the parties to the agreement may not waive or have the practical effect of waiving the rights of a party to that agreement to resolve the dispute by obtaining relief as a representative or as a member of a class of similarly situated persons.

Final Status: Did not pass.

TCM Position: Opposed

Maryland Stem Cell Research Fund - Annual Report - Requirements (HB 742)

Sponsor: Delegate W. Miller, et al

Summary: Would have required the Maryland Technology Development Corporation and the Stem Cell Research Commission to include in the annual report on the Maryland Stem Cell Research Fund specified information on the interim and final results of research performed by recipients of money from the Fund.

Final Status: Unfavorable report.

TCM Position: Monitored

Task Force on Funding a Green Technology, Life Science, and Health Information Technology Loan Assistance Repayment Program (HB 758)

Sponsor: Delegate Mitchell, et al

Summary: Establishes the Task Force on Funding a Green Technology, Life Science, and Health Information Technology Loan Assistance Repayment Program. Requires the task force to study and make recommendations on sources of funding for a green technology, life science and health information technology loan assistance repayment program that assists graduates who earned a degree in a field relating to green technology, life science or health information technology from an institution of higher education in the State in the repayment of any federal or State higher education loan. Requires a report on or before December 31, 2011. *Effective June 1, 2011.*

Final Status: Passed and awaiting Governor's signature.

TCM Position: Monitored

Manufacturers of Prescribed Products - Payments to Health Care Professionals - Prohibition (HB 818)

Sponsor: Delegates Kipke & Hammen

Summary: Would have prohibited a manufacturer of prescribed products from offering or giving a gift to a health care professional.

Final Status: Unfavorable report.

TCM Position: Opposed

Task Force to Study the Creation of a Regional Higher Education Center in Northeastern Maryland (HB 1156)

Sponsor: Delegates Rudolph & James

Summary: Creates a Task Force to Study the Creation of a Regional Higher Education Center in

Northeastern Maryland. Requires the task force to examine the need for higher education in Northeastern Maryland. *Effective June 1, 2011.*
Final Status: Passed and awaiting Governor's signature.

TCM Position: Monitored

Broadband Service Providers - Universal Access - Time Requirements (HB 1201)

Sponsor: Delegates Costa

Summary: Would have required broadband service providers to make the service available in all areas by October 1, 2016 or five years after the date in which the broadband service provider first offered.

Final Status: Unfavorable report.

TCM Position: Monitored

Public Health - Food Product Labeling - Genetically Engineered Ingredients (HB 1261)

Sponsor: Delegates McConkey

Summary: Would have established that unless the packaging of a food product is clearly and conspicuously labeled, no food product that contains or consists of ingredients of which more than 1% are genetically engineered ingredients may be sold in Maryland. Defined "genetically engineered ingredient" as an ingredient that contains foreign genes that have been artificially inserted into the genetic code of the ingredient.

Final Status: Did not pass.

TCM Position: Monitored

Deficit Reduction Financing Act of 2011 (HB 1294)

Sponsor: The Minority Leader

Summary: Would have reduced the appropriation for Maryland Biotechnology Investment Tax Credit Reserve Fund by 25%. Repeals the Stem Cell Research Fund and the Stem Cell Research Commission.

Final Status: Unfavorable report.

TCM Position: Monitored

Occupational Safety - Manholes and Confined Spaces - Training in First Aid and Cardiopulmonary Resuscitation (HB 1303)

Sponsor: Delegate Hucker

Summary: Would have required employers, including telecommunications companies, to provide in-person training in basic first aid and cardiopulmonary resuscitation at least once every three years to an employee who works in or in the immediate vicinity of a manhole or a specified confined space.

Final Status: Unfavorable report.

TCM Position: Opposed

Tax Climate Legislation

Corporate Income Tax - Combined Reporting (SB 305/ HB 731)

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

Summary: Would have altered Maryland's income tax laws to impose a system of mandatory unitary combined reporting for corporations, effective for taxable years beginning after December 31, 2011. Would have required all business entities of a corporate group under common ownership to file a Maryland income tax return combining all profits and losses of the entities, as long as at least one entity is subject to Maryland income taxes.

Final Status: Did not pass.

TCM Position: Opposed

Sales and Use Tax - Rate (SB 675)

Sponsor: Senator Jones-Rodwell

Summary: Would have lowered the sales and use tax from 6% to 5%.

Final Status: Did not pass.

TCM Position: Opposed

Income Tax - Millionaires Tax - Extension of Termination Date (SB 798)

Sponsor: Senators Benson & Montgomery

Summary: Would have extended to tax year 2014 the applicability of the 6.25% income tax rate on Maryland taxable income of an individual in excess of \$1 million.

Final Status: Did not pass.

TCM Position: Opposed

Corporate Income Tax Reform (SB 800)

Sponsor: Senator Jacobs, et al

Summary: Would have provided that if the principal place from which a corporation's trade or business is directed or managed is in Maryland, specified nonoperational income of the corporation shall be allocated to Maryland for income tax purposes to the extent allowed under the United States Constitution.

Final Status: Unfavorable report.
TCM Position: Opposed

Taxation of Corporations - Alternative Minimum Assessment (SB 979)

Sponsor: Senator Jones-Rodwell

Summary: Would have imposed an alternative minimum assessment (AMA) on corporations doing business in Maryland. Computes the AMA as a percentage of a corporation's gross receipts or gross profits, based on an election made by the corporation and limits the AMA to \$5,000,000 for any corporation and to \$20,000,000 for affiliated groups of corporations.

Final Status: Did not pass.

TCM Position: Opposed

Tax Credit Evaluation Act (HB 620)

Sponsor: Delegate Frick

Summary: Would have established an evaluation committee to determine whether a tax credit is necessary for the public interest. Would have required the committee to discuss: (1) the purpose for which the tax credit was established; (2) whether the original intent of the tax credit is still appropriate; (3) whether the tax credit is meeting its objectives; (4) whether the purposes of the tax credit could be more efficiently and effectively carried out through alternative methods; (5) the costs of providing the tax credit; and (6) the number of the beneficiaries of the tax credit and distribution of the benefit of the tax credit by income class. Would have ended all tax credit programs, including the Biotech Tax Credit and the Research and Development Tax Credit, every five years and required that they be reinstated through legislative action.

Final Status: Unfavorable report.

TCM Position: Opposed

Corporate Income Tax - Rate Reduction (HB 855)

Sponsor: Delegate Elliott, et al

Summary: Would have reduced the Maryland corporate income tax rate from 8.25% to 6% for taxable years after tax year 2010.

Final Status: Unfavorable report.

TCM Position: Monitored

Income Tax - Millionaires Tax - Sunset Repeal (HB 1070)

Sponsor: Delegate Ivey, et al

Summary: Would have made permanent the income tax rate of 6.25% on Maryland taxable income of an individual in excess of \$1,000,000. Applies millionaire tax to all tax years beginning after December 31, 2010.

Final Status: Did not pass.

TCM Position: Opposed

Motor Fuel Tax - Rate Increase and Distribution of Revenues (HB 1059)

Sponsor: Delegate Kaiser, et al

Summary: Would have increased the gas tax by 10 cents per gallon on July 1, 2011, and by 2 cents per gallon on January 1 and July 1 of each year in 2012 and 2013, and on January 1, 2014.

Final Status: Did not pass.

TCM Position: Monitored

Tax Incentives and Benefits - Credits and Subtraction Modifications (HB 1308)

Sponsor: Delegate Gilchrist

Summary: Would have converted a number of tax credits to subtraction modifications, resulting in the credits being worth approximately 1/20th of their current value, including the following: (1) Research and Development Tax Credit; (2) Enterprise Zone Credit; (3) Job Creation Tax Credit; (4) One Maryland Economic Development Credit; (5) Maryland-Mined Coal Credit; and (6) Clean Energy Incentive Tax Credit.

Final Status: Did not pass.

TCM Position: Opposed

Transportation Legislation

Transportation - Sales and Use Tax - Funding for Mass Transit Projects (SB 451)

Sponsor: Senators Miller & Manno

Summary: Would have required the distribution of 25% of the revenue from the sales and use tax collected on the sale of motor fuel in Montgomery County, Prince George's County and Baltimore City to the Mass Transit Facility Revenue Account in the Transportation Trust Fund. Requires the distribution of the remaining revenue to the Transportation Trust Fund.

Final Status: Did not pass.

TCM Position: Monitored

Transportation Trust Fund - Dedicated Highway Funds (SB 677)

Sponsor: Senator Brinkley

Summary: Would have proposed an amendment to the Maryland Constitution to establish that the Transportation Trust Fund may only be used for purposes related to transportation.

Final Status: Did not pass.

TCM Position: Monitored

Transportation Trust Fund - Financing - Use of Funds (SB 714 / HB 1001)

Sponsor: Senator Garagiola, et al

Summary: Would have instituted a 10 cent per gallon increase in the gas tax (currently 23.5 cents). Indexes the gas tax to inflation using the Construction Cost Index. Increases motor vehicle registration fee by 50%. Would have created an amendment to the Maryland Constitution that prohibits other uses for the Maryland's Transportation Trust Fund.

Final Status: SB 714 did not pass. HB 1001 did not pass.

TCM Position: Monitored

Blue Ribbon Commission on Maryland Transportation Funding - Uniform Process for Local Priorities (SB 812)

Sponsor: Senator Zirkin

Summary: Would have required the Blue Ribbon Commission on Maryland Transportation Funding to identify the transportation priorities of local governments, to receive input from citizens and elected officials concerning the transportation priorities of local jurisdictions and to compare and evaluate transportation priorities of local jurisdictions.

Final Status: Unfavorable Report.

TCM Position: Monitored

Transportation Trust Fund Protection Act (HB 518)

Sponsor: Delegate Krebs, et al

Summary: Would have proposed an amendment to the Maryland Constitution to establish a Transportation Trust Fund to be used only for purposes relating to transportation. Would have prohibited the reversion or crediting of any part of the Transportation Trust Fund to the General Fund.

Final Status: Did not pass.

TCM Position: Monitored

Transportation Trust Fund - Transfer or Diversion of Funds - Voter Approval (HB 591)

Sponsor: Delegates Barkley & Krebs

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

Final Status: Did not pass.

TCM Position: Monitored

Motor Fuel Tax - Rate Increase and Distribution of Revenues (HB 1059)

Sponsor: Delegate Kaiser, et al

Summary: Would have increased the gas tax by 10 cents per gallon on July 1, 2011, and by 2 cents per gallon on January 1 and July 1 of each year in 2012 and 2013, and on January 1, 2014.

Final Status: Did not pass.

TCM Position: Monitored

Study of the Privatization of the Intercounty Connector or Segments of the Intercounty Connector (HB 1176)

Sponsor: Delegate Fisher

Summary: Would have required the Department of Legislative Services to contract with an independent consultant to conduct a study regarding the sale or lease of the Intercounty Connector (ICC) or segments of the ICC to a private entity in exchange for the entity's right to collect tolls.

Final Status: Did not pass.

TCM Position: Monitored

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