

ROLL 2007 CALL

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MARYLAND BUSINESS FOR
RESPONSIVE GOVERNMENT

HOW MARYLAND'S 188 LEGISLATORS VOTED
ON BILLS IMPORTANT TO BUSINESS AND JOBS

Calm before the Perfect Storm

Wikipedia, the Internet encyclopedia, defines perfect storm as follows:

“... the simultaneous occurrence of events which, taken individually, would be far less powerful than the result of their chance combination.”

Leading up to and during the 2007 session claps of fiscal thunder could be heard moving closer. Yet much like picnickers choosing to ignore the signs until the downpour forces them to take shelter, Maryland's elected officials chose not to deal with the fiscal problems facing the state. Why worry? There's still time. It's not raining yet.

The first legislative session in a four-year term produces few substantive legislative initiatives and the 2007 session was no exception. This, together with a new administration, produced something of a “honeymoon” atmosphere and, along with it, an aversion to tackling the tough issues. Most troubling is that as they continue to languish, they become harder to solve.

In years past, fiscal challenges were rather monolithic. In the early 1980s, it was a broken employees' pension system. It was fixed. In the early 1990's the recession put a wrench in the General Fund. It got fixed with austerity measures, including spending cuts and tax increases. Likewise in 1992 the shortfall in the Transportation Trust Fund was fixed by a five-cent per gallon increase in the gas tax.

Four fiscal storms are building in Maryland

Instead of enacting solutions to the Maryland's looming fiscal problems in the 2007 Session, the Legislature approved the withdrawal of \$978 million from the Rainy Day fund to balance the budget, even though traditional sources of fund-

ing were at robust levels. Moreover the Rainy Day fund was tapped, and reserves were drawn down to their lowest permitted levels, without Maryland encountering its first rainy day of significant economic downturn.

A repetition of this “balancing act” could be greeted with raised eyebrows and cold stares from the debt rating agencies that assign Maryland its coveted triple A bond rating. The net result is a session that was squandered, setting the stage for *The Perfect Storm*.

Indeed, four fiscal storms are building in Maryland.

Even multi-million dollar lottery winners have found themselves bankrupt after mismanaging their wealth

General Fund Structural Deficit Storm — For at least the last two decades, Maryland has suffered from a budget that is largely imbalanced. In periods of lean revenues, the constitutional mandate of a balanced budget has been achieved through combinations of reserve drawdowns, borrowings, and other creative measures to make the numbers add up. Efforts at a more permanent solution are perennially put off. The outlook for the upcoming fiscal year is estimated at more than a \$1.5 billion shortfall, which will require either deep spending cuts or hefty tax/fee increases, or a combination of both.

Transportation Trust Fund Storm — The funding needs for Maryland's transportation infrastructure have been neglected and deferred for years. The primary source of transportation revenue is the gas tax, which was last increased in 1992 by five cents per gallon (cpg). The gas tax is currently 23 cpg, which remains fixed regardless of the fluctuations in the retail price per gallon. Many will argue that an 8-10 cpg increase may be needed to restore adequate levels to maintain a quality transportation system. Arguments against raising the gas tax include existing lower taxes in the neighboring jurisdictions of District of Columbia - 20 cpg; Virginia - 17.5 cpg; and Delaware - 23 cpg. In Pennsylvania the gas tax is 32.5 cpg and in West Virginia it's 27 cpg.

General Obligation Debt Authorizations Storm — The amount of general obligation debt has grown at extremely high rates over the past five years. Traditionally, the growth rate of debt was on the order of five to six percent per year. The increase allowed swollen spending beyond the limits of revenues in the General Fund. This rate of debt creation cannot continue, which will put more pressure on the already stressed General Fund.

Retired State Employee Health Care Storm — Unlike the pension obligations that Maryland funds through an actuarially responsible retirement plan, the state makes no such provisions for funding retirees' health benefits. Maryland is presently obligated to pay 80 percent of retirees' health care

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RESULTS OF THE 2007 SESSION

VICTORIES

- ✔ A bill increasing the maximum compensation to businesses that are displaced as a result of a condemnation action by a government agency was approved. See Senate Vote 1 (SB 3) on page 2 and House Vote 1 (SB 3) on page 6.
- ✔ A bill enabling counties and municipalities to purchase electricity as an aggregator and to provide electricity to customers under local government supervision was defeated. See Senate Vote 2 (SB 34) on page 2.
- ✔ A bill requiring certain private-sector employers to allow employees to use sick leave to care for a sick parent, spouse or child was defeated. See Senate Vote 5 (SB 260) on page 2.
- ✔ A bill requiring the Public Service Commission to initiate new proceedings to evaluate the deregulation of the electric utility industry and related rate and regulatory matters was approved. See Senate Vote 7 (SB 400) on page 2 and House Vote 2 (SB 400) on page 6.
- ✔ A bill requiring all employers to provide a 30-minute, paid meal break to employees who work more than five consecutive hours was defeated. See Senate Vote 8 (SB 585) on page 2.

- ✔ A bill requiring businesses to divulge proprietary information was defeated. See Senate Vote 9 (SB 614) on page 7 and House Vote 12 (HB 983) on page 6.
- ✔ A bill requiring all employers to provide paid sick leave to employees was defeated. See Senate Vote 11 (SB 828) on page 7 and House Vote 11 (HB 832) on page 6.
- ✔ A bill repealing a tax compliance requirement established by the Budget Reconciliation and Financing Act of 2003 was approved. See Senate Vote 13 (HB 1143) on page 7 and House Vote 13 (HB 1143) on page 6.
- ✔ A bill creating a new tax on Maryland commercial real estate transactions was defeated. See House Vote 7 (HB 475) on page 6.
- ✔ A bill making it easier to file medical liability lawsuits was defeated. See House Vote 8 (HB 495) on page 6.
- ✔ A bill authorizing municipalities to impose a building excise tax instead of an impact fee was defeated. See House Vote 9 (HB 523) on page 6.
- ✔ A bill imposing a tax on buyers of new homes and businesses that are relocating or expanding in Maryland was defeated. See House Vote 14 (HB 1220) on page 6.

DEFEATS

- ✔ A bill banning smoking in all public places in Maryland, including restaurants and bars was approved. See Senate Vote 3 (SB 91) on page 2 and House Vote 5 (HB 359) on page 6.
- ✔ A bill requiring the Department of Environment to establish a low emissions vehicle program was approved. See Senate Vote 4 (SB 103) on page 2 and House Vote 3 (HB 131) on page 6.
- ✔ A bill creating a new tort against insurers who do not act in good faith in a first-party property and casualty insurance claim was approved. See Senate Vote 6 (SB 389) on page 2.
- ✔ A bill authorizing an administrative law judge to award reinstatement, back pay, compensatory damages, or other relief for employment discrimination violations was approved. See Senate Vote 10 (SB 678) on page 7 and House Vote 4 (HB 314) on page 6.
- ✔ A bill requiring employers under a state service contract of \$100,000 or more to pay employees a “living wage” was approved. See Senate Vote 12 (HB 430) on page 7 and House Vote 6 (HB 430) on page 6.
- ✘ A bill limiting to \$100 million the total amount of an appeal bond required to stay the enforcement of a civil court judgment was defeated. See House Vote 10 (HB 807) on page 6.

2007 SENATE VOTE DESCRIPTIONS

1 SB 3 – Senator DeGrange Real Property – Condemnation – Procedures and Compensation

Increases the maximum compensation for re-establishment expenses to small business and farm owners who are displaced as a result of a condemnation action by a government agency. The State executes its power of eminent domain when it acquires land by condemnation. Current law requires agencies to pay the displaced business the fair market value of the condemned property and an additional payment for re-establishment expenses. These expenses include actual moving expenses, direct loss of personal property as a result of moving, expenses for searching for a replacement business, and expenses necessary to reestablish the business. This bill increases the cap that the agency can pay for re-establishment expenses from \$10,000 to \$60,000. The bill also increases from \$20,000 to \$60,000 the alternative fixed payment amount that an agency can offer a business in lieu of reimbursement of expenses.

A "+" indicates a vote for SB 3 and reflects MBRG's support for legislation that allows government agencies to fairly compensate businesses when executing the power of eminent domain. Agreeing with MBRG's position, the Senate approved SB 3, 46-0, on April 2, 2007 at 4:06 p.m. The bill was signed into law on May 8, 2007.

2 SB 34 – Senator Frosh Electric Industry – Local Aggregation

Enables counties and municipalities to purchase electricity as an aggregator and to provide electricity to customers under local government supervision. The bill enables local governments to capture all electricity customers residing within their boundaries, and customers can only return to their original electricity suppliers by affirmatively submitting a written statement within 21 days to opt out of the program. This bill legislates governmental slamming of electric customers away from previously selected suppliers, stifling competition and causing adverse consequences for businesses that provide electricity to residential customers. To protect themselves from a massive movement of customers facilitated by this legislation, suppliers will increase the electric rates Maryland customers pay.

A "+" indicates a vote against SB 34 and reflects MBRG's opposition to legislation that creates unfair competition, higher electricity prices, and unwarranted governmental intrusion into the electricity business. Agreeing with MBRG's position, the Senate Finance Committee rejected SB 34, 3-8, on March 19, 2007.

3 SB 91 – Senator Garagiola Clean Indoor Air Act of 2007

Bans smoking in all public places in Maryland, including restaurants and bars. Tobacco retail shops are exempt. Revenues from smoking customers at bars and restaurants, especially those within close proximity to Pennsylvania, Virginia, and West Virginia borders, will likely decline as smokers opt to stay home, patronize restaurants and bars in nearby states, or reduce the time and money they spend in Maryland bars and restaurants.

A "+" indicates a vote against SB 91 and reflects MBRG's opposition to legislating business policies that should be determined by business owners and their customers. Disagreeing with MBRG's position, the Senate approved SB 91, 33-13, on March 26, 2007 at 4:00 p.m. Subsequently, SB 91 was amended in a conference committee and signed into law on May 17, 2007.

4 SB 103 – Administration Maryland Clean Cars Act of 2007

Requires the Department of Environment, in consultation with the Motor Vehicle Administration, to adopt regulations by December 31, 2007 to establish a low emissions vehicle program equivalent to California's LEV Program. The standards are applicable to vehicles of the model year 2011 and thereafter. This change creates unnecessary, new costs for manufacturers that will be borne by consumers while producing indeterminate air quality benefits. The federal government already has adopted standards that have reduced motor vehicle emissions in 40 states. Additionally, it is inadvisable for the State to delegate its environmental standards to California's Air Resources Board, on which Maryland has no representation.

A "+" indicates a vote against SB 103 and reflects MBRG's opposition to legislation that duplicates federal law and increases manufacturing costs without providing clear environmental benefits. Disagreeing with MBRG's position, the Senate approved SB 103, 38-9, on February 26, 2007 at 9:00 p.m. The bill was signed into law on April 24, 2007.

5 SB 260 – Senator Garagiola Labor and Employment – Leave with Pay – Illness of Employee's Immediate Family

Requires private-sector employers who offer earned, paid sick leave to allow employees to use such leave also to care for a sick parent, spouse or child. An employee who earns more than one type of paid leave may elect the type and amount of leave to be used. The bill does not affect leave granted under the federal Family Medical Leave Act, which requires employers with 50 or more employees to provide up to a total of 12 work weeks of unpaid sick leave during any 12-month period. This bill may require businesses to pay other employees overtime to compensate for the absence of the employee or experience a loss of productivity.

A "+" indicates a vote against SB 260 and reflects MBRG's opposition to legislation that mandates employment benefits. Agreeing with MBRG's position, the Senate Finance Committee rejected SB 260, 3-8, on March 1, 2007.

6 SB 389 – Senator Stone Civil Actions – Liability of Insurer – Bad Faith

Creates a new tort against insurers by allowing an insured to recover expenses, attorney's fees, and interest in addition to actual damages if the insured proves that an insurer did not act in good faith in a first-party property and casualty insurance claim. The bill also establishes that failure to act in good faith constitutes an unfair claim settlement practice for which the Insurance Commissioner may impose a fine of up to \$125,000. This bill duplicates the current regulatory structure and will significantly increase litigation costs to insurers to defend against frivolous lawsuits.

A "+" indicates a vote against SB 389 and reflects MBRG's opposition to legislation that creates unbalanced rights of action by allowing only one side to recover litigation costs and expenses. Disagreeing with MBRG's position, the Senate approved SB 389, 26-21, on March 22, 2007 at 11:43 a.m. Subsequently, the House heavily amended SB 389, and the bill was signed into law on April 24, 2007.

Senate Chart Key

- 1 SB 3 Real Property – Condemnation – Procedures and Compensation
- 2 SB 34 Electric Industry – Local Aggregation
- 3 SB 91 Clean Indoor Air Act of 2007
- 4 SB 103 Maryland Clean Cars Act of 2007
- 5 SB 260 Labor and Employment – Leave with Pay – Illness of Employee's Immediate Family
- 6 SB 389 Civil Actions – Liability of Insurer – Bad Faith
- 7 SB 400 Electric Industry Restructuring – Proceedings – Review and Evaluation
- 8 SB 585 Labor and Employment – Meal Periods
- 9 SB 614 Economic Development and Tax Incentive Act
- 10 SB 678 Maryland Human Relations Commission – Hearings and Civil Actions – Relief
- 11 SB 828 Healthy Families and Healthy Workplaces Act
- 12 HB 430 State Procurement Contracts – Living Wage
- 13 HB 1143 Income Tax Withholding – Nonresident Contractors

7 SB 400 – Senator Pipkin Electric Industry Restructuring – Proceedings – Review and Evaluation

Requires the Public Service Commission to initiate new proceedings to evaluate the deregulation of the electric utility industry and related rate and regulatory matters. In the 2006 Regular and Special Sessions, the General Assembly sought to regulate, by legislation, various aspects of electric utility activities, including mergers, rates and other activities that had previously been regulated by the Public Service Commission for more than 90 years. These developments resulted in higher costs for electric utilities and adverse consequences for Maryland consumers of electricity. This bill returns these issues to the Public Service Commission, where they can be evaluated and decided by the technical expertise and adjudicatory capacities of an independent State agency.

A "+" indicates a vote for SB 400 and reflects MBRG's support for legislation that stabilizes Maryland's regulatory climate by restoring the regulatory powers of the Public Service Commission. Agreeing with MBRG's position, the Senate approved SB 400, 46-1, on March 22, 2007 at 11:44 a.m. The bill was signed into law on May 17, 2007.

8 SB 585 – Senator Britt Labor and Employment – Meal Periods

Requires all employers - including government employers - to provide a thirty minute, paid meal break to employees who work more than five consecutive hours and provide a suitable place for employees to eat. An employer who fails to comply must pay for one hour at the employee's usual hourly wage for each day a meal period is not provided or an employee may bring a civil action against an employer. Federal regulations already require that an employee be completely relieved from duty for the purposes of eating regular meals. This bill will increase salary expenditures for all businesses that currently do not provide paid meal breaks to employees.

A "+" indicates a vote against SB 585 and reflects MBRG's opposition to legislation that mandates employment benefits. Agreeing with MBRG's position, the Senate Finance Committee rejected SB 585, 0-11, on March 1, 2007.

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MARYLAND SENATE VOTES

	1	2	3	4	5	6	7	8	9	10	11	12	13	2007 MBRG	2007 Percentile	MBRG CUM%
Allegany, Garrett & Washington Counties																
1 George C. Edwards (R)*	+	+	+	-	+	+	+	+	■	-	+	+	+	83%	77	83%
Washington County																
2 Donald F. Munson (R)*	+	■	-	+	■	+	+	■	+	-	■	+	+	78%	72	79%
Frederick & Washington Counties																
3 Alexander X. Mooney (R)*	+	■	+	+	■	+	+	■	■	+	■	+	+	100%	89	84%
Carroll & Frederick Counties																
4 David R. Brinkley (R)*	+	■	+	+	■	+	+	■	+	-	■	+	+	89%	85	93%
Baltimore & Carroll Counties																
5 Larry E. Haines (R)*	+	■	+	+	■	+	+	■	■	+	■	+	+	100%	89	86%
Baltimore County																
6 Norman R. Stone, Jr. (D)	+	■	o	-	■	-	+	■	■	-	■	-	+	43%	36	48%
Baltimore & Harford Counties																
7 Andrew P. Harris (R)*	+	■	+	+	■	+	+	■	■	+	■	+	+	100%	89	86%
Baltimore County																
8 Katherine A. Klausmeier (D)	+	+	-	-	-	-	+	+	■	-	+	-	+	50%	43	65%
Carroll & Howard Counties																
9 Allan H. Kittleman (R)*	+	+	+	+	+	+	+	+	■	-	+	+	+	92%	87	94%
Baltimore County																
10 Delores G. Kelley (D)	+	-	-	-	+	+	+	+	■	-	+	-	+	58%	60	37%
11 Robert A. Zirkin (D)	+	■	-	-	-	-	+	■	■	-	■	-	+	38%	11	37%
Baltimore & Howard Counties																
12 Edward J. Kasemeyer (D)	+	■	-	-	■	-	+	■	+	-	■	-	+	44%	38	61%
Howard County																
13 James N. Robey (D)	+	■	-	-	■	+	+	■	+	-	■	-	+	56%	53	-
Montgomery County																
14 Rona E. Kramer (D)	+	■	-	-	■	+	+	■	+	-	■	-	+	56%	53	58%
15 Robert J. Garagiola (D)	+	+	-	-	-	-	+	+	■	-	+	-	+	50%	43	41%
16 Brian E. Frosh (D)	+	■	-	-	■	-	-	■	■	-	■	-	+	25%	0	33%
17 Jennie M. Forehand (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	39%
18 Richard S. Madaleno, Jr. (D)	+	■	-	-	■	-	+	■	-	-	■	-	+	33%	2	29%
19 Michael G. Lenett (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	-
20 Jamin B. Raskin (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	-
Anne Arundel & Prince George's Counties																
21 James C. Rosapepe (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	45%
Prince George's County																
22 Paul G. Pinsky (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	30%
23 Douglas J. J. Peters (D)	+	■	-	-	■	-	+	■	-	-	■	-	+	33%	2	-
24 Nathaniel Exum (D)	+	+	-	-	+	-	+	+	■	-	+	-	+	58%	60	36%
25 Ulysses Currie (D)	+	■	-	-	■	+	+	■	-	-	■	-	+	44%	38	50%
26 C. Anthony Muse (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	41%
Calvert & Prince George's Counties																
27 Thomas V. Mike Miller, Jr. (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	62%
Charles County																
28 Thomas M. Middleton (D)	+	+	-	-	+	+	+	+	■	-	+	-	+	67%	64	62%
Calvert, Charles, & St. Mary's Counties																
29 Roy P. Dyson (D)	+	■	-	-	■	+	+	■	■	-	■	-	+	50%	43	52%
Anne Arundel County																
30 John C. Astle (D)	+	+	-	-	+	-	+	+	■	-	+	+	+	67%	64	68%
31 Bryan W. Simonaire (R)	+	■	+	-	■	+	+	■	■	+	■	+	+	88%	81	-
32 James E. DeGrange, Sr. (D)	+	■	+	-	■	+	+	■	+	-	■	+	+	78%	72	69%
33 Janet Greenip (R)*	+	■	+	+	■	+	+	■	■	+	■	+	+	100%	89	91%
Cecil & Harford Counties																
34 Nancy Jacobs (R)*	+	■	+	-	■	+	+	■	■	+	■	+	+	88%	81	91%
Harford County																
35 J. Robert Hooper (R)*	o	■	+	+	■	+	+	■	■	+	■	+	+	100%	89	77%
Caroline, Cecil, Kent, & Queen Anne's Counties																
36 E. J. Pipkin (R)*	+	+	+	-	+	+	+	+	■	-	+	+	+	83%	77	77%
Caroline, Dorchester, Talbot & Wicomico Counties																
37 Richard F. Colburn (R)*	+	■	-	+	■	-	+	■	■	+	■	+	+	75%	70	83%
Somerset, Wicomico & Worcester Counties																
38 J. Lowell Stoltzfus (R)*	+	■	-	-	■	+	+	■	+	-	■	+	+	67%	64	82%
Montgomery County																
39 Patrick J. Hogan (D)*	+	■	-	-	■	+	+	■	+	-	■	-	+	56%	53	72%
Baltimore City																
40 Catherine E. Pugh (D)	+	-	-	-	+	-	+	+	■	-	+	-	+	50%	43	43%
41 Lisa A. Gladden (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	33%
Baltimore County																
42 Jim Brochin (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	38%
Baltimore City																
43 Joan Carter Conway (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	35%
44 Verna L. Jones (D)	+	■	-	-	■	-	+	■	-	-	■	-	+	33%	2	36%
45 Nathaniel J. McFadden (D)	+	■	-	-	■	-	+	■	-	-	■	-	+	33%	2	49%
46 George W. Della, Jr. (D)	+	-	+	-	-	-	+	+	■	-	+	-	+	50%	43	47%
Prince George's County																
47 Gwendolyn Britt (D)	+	■	-	-	■	-	+	■	■	-	■	-	+	38%	11	30%

MBRG RATING SYSTEM

* Legislators with stars next to their names served at least four years in the House or Senate and achieved an MBRG CUM % of 70% or greater.
 + A "right" vote, supporting the MBRG position for business and jobs.
 - A "wrong" vote, contrary to the MBRG position for business and jobs.
 o Legislator excused from voting, resulting in no effect on a legislator's rating.
 nv Legislator did not vote on a bill on which MBRG has taken a position of opposition, resulting in no effect on a legislator's rating.

nv- Legislator did not vote on a bill on which MBRG has taken a position of support, resulting in the lowering of a legislator's rating. Therefore, a legislator is penalized when his or her vote could have helped to achieve a constitutional majority (24 of 47 votes in the Senate and 71 of 141 votes in the House) for the passage of a bill.
 nv∇ As committee chairperson, legislator chose not to vote, resulting in no effect on a legislator's rating.
 ■ Legislator did not serve on the committee that reviewed the bill, resulting in no effect on a legislator's rating.

MBRG CUM % Cumulative percentage is based on a legislator's voting record since the year MBRG began rating the legislator, as early as 1986 or since that legislator's first year in an earlier House seat, through 2007. The percentage is derived by dividing the total number of "+" votes by the number of bills on which the legislator voted plus the number of "NV—" marks. A short red dash (-) in this column means a legislator is a freshman and therefore has no cumulative record.
2007 Percentile In order to compare a legislator's score with his or her colleagues, both Senate and House members have been ranked by percentiles. The percentile represents where a legislator's 2007 MBRG % rating ranks in relation to other legislators' ratings. For example, a Senator with a percentile ranking of 78 has a 2007 MBRG rating greater than 78 percent of his or her fellow Senators during this time period.



2007 House Vote Descriptions

1 SB 3 – Senator DeGrange Real Property – Condemnation – Procedures and Compensation

See Senate Vote 1 on page 2 for a description of SB 3.

A "+" indicates a vote for SB 3 and reflects MBRG's support for legislation that allows government agencies to fairly compensate businesses when executing the power of eminent domain. Agreeing with MBRG's position, the House approved SB 3, 139-0, on April 6, 2007 at 6:49 p.m.

2 SB 400 – Senator Pipkin Electric Industry Restructuring – Proceedings – Review and Evaluation

See Senate Vote 7 on page 2 for a description of SB 400.

A "+" indicates a vote for SB 400 and reflects MBRG's support for legislation that stabilizes Maryland's regulatory climate by restoring the regulatory powers of the Public Service Commission. Agreeing with MBRG's position, the House approved SB 400, 118-18, on April 9, 2007 at 11:22 pm.

3 HB 131 – Delegate Bobo Maryland Clean Cars Act of 2007

See Senate Vote 4, SB 103, on page 2 for a description of HB 131, its companion bill.

A "+" indicates a vote against HB 131 and reflects MBRG's opposition to legislation that duplicates federal law and increases manufacturing costs without providing clear environmental benefits. Disagreeing with MBRG's position, the House approved HB 131, 122-16, on February 20, 2007 at 10:18 a.m. The bill was signed into law on April 24, 2007.

4 HB 314 – Delegate Rosenberg Maryland Human Relations Commission – Hearings and Civil Actions – Relief

See Senate Vote 10, SB 678, on page 7 for a description of HB 314, its companion bill.

A "+" indicates a vote against HB 314 and reflects MBRG's opposition to legislation that increases businesses exposure to civil penalties and compensatory damages. Disagreeing with MBRG's position, the House approved HB 314, 137-0, on March 24, 2007 at 2:22 p.m.

5 HB 359 – Delegate Frush Clean Indoor Air Act of 2007

See Senate Vote 3, SB 91, on page 2 for a description of HB 359, its companion bill.

A "+" indicates a vote against HB 359 and reflects MBRG's opposition to legislating business policies that should be determined by business owners and their customers. Disagreeing with MBRG's position, the House approved HB 359, 98-40, on March 24, 2007 at 2:03 p.m.

6 HB 430 – Delegate Taylor State Procurement Contracts – Living Wage

See Senate Vote 12 on page 7 for a description of HB 430.

A "+" indicates a vote against HB 430 and reflects MBRG's opposition to legislation that allows the government to establish artificial wage rates. Disagreeing with MBRG's position, the House approved HB 430, 88-50, on April 6, 2007 at 10:59 a.m.

7 HB 475 – Delegate Healey Public School Construction Assistance Act of 2007

Imposes Maryland transfer and recordation taxes on the transfer of real property valued at \$1 million or more when the transfer occurs through the sale of a controlling interest in a business entity. The bill also requires Baltimore City and county governments to dedicate specified amounts of recordation tax revenue to public school construction in fiscal 2008 through 2011. Under existing laws, Maryland's transfer and recordation taxes are imposed on changes in legal title to real property. Such transactions use Maryland's land records, and the tax supports this essential government service. However, this bill extends the tax to commercial real estate transactions that do not affect land records or title to real property.

A "+" indicates a vote against HB 475 and reflects MBRG's opposition to legislation that creates new taxes on commercial real estate transactions. Disagreeing with MBRG's position, the House approved HB 475, 101-35, on March 22, 2007 at 12:40 p.m. Subsequently, the bill died in the Senate Budget and Taxation Committee without a vote.

8 HB 495 – Delegate Anderson Action or Claim for Medical Injury – Attesting Experts – Reports

Removes the requirement in medical liability cases that a copy of a party's report of a medical expert be attached to the certificate of merit. Currently, a claim for medical injury against a health care provider must be dismissed unless the claimant or plaintiff files a certificate of a qualified expert attesting to departure from standards of care and that such departure was the proximate cause of injury, unless the sole issue in the claim is lack of informed consent. This certificate must be filed with the Director of the Health Care Alternative Dispute Resolution Office within 90 days of the filing of the complaint. A report of the attesting expert must be attached to each party's certificate. This bill will make it easier to file medical liability lawsuits.

A "+" indicates a vote against HB 495 and reflects MBRG's opposition to legislation that will increase health care costs by allowing complainants to file medical liability lawsuits without a report from a medical expert. Agreeing with MBRG's position, the House rejected HB 495, 63-71, on March 20, 2007 at 11:29 a.m.

9 HB 523 – Delegate Barve Municipal Corporations – Building Excise Tax

Authorizes municipalities to impose a building excise tax instead of an impact fee to avoid meeting the requirements for establishing an impact fee. Currently, to constitute a valid regulatory fee, a municipality needs to show a reasonable connection between the new development and infrastructure as well as a reasonable connection between use of the resulting revenue and benefit to the property assessed. Enabling municipalities to impose a building excise tax in addition to the county building excise tax could significantly increase the cost of housing in Maryland.

A "+" indicates a vote against HB 523 and reflects MBRG's opposition to legislation that enables local governments to bypass procedures for imposing regulatory fees. Disagreeing with MBRG's position, the House approved HB 523, 102-35, on March 22, 2007 at 12:43 p.m. Subsequently, the bill died in the Senate Budget and Taxation Committee without a vote.

10 HB 807 – Delegate Conway Judgments – Appeals – Supersedeas Bonds

Limits the total amount of the appeal (supersedeas) bond required to stay the enforcement of a civil court judgment to \$100 million. This allows a defendant to appeal a large civil damage award without the threat of enforcement until all appeal rights have been exhausted. Currently, a defendant may be required either to post a bond for the amount of the damage award while the case is on appeal or be subjected to enforcement of the damage award. Obtaining a bond for a very large damage award may be impossible or cost prohibitive and cause the defendant to settle the case on unfavorable terms or forego appeal entirely. Neighboring states, such as Virginia, Pennsylvania, North Carolina, West Virginia and New Jersey, have enacted such limits.

A "+" indicates a vote for HB 807 and reflects MBRG's support for legislation that enhances due process for business defendants by enabling them to appeal large damage awards. Disagreeing with MBRG's position, the House Judiciary Committee rejected HB 807, 7-14, on March 22, 2007.

11 HB 832 – Delegate Anderson Healthy Families and Healthy Workplaces Act

See Senate Vote 11, SB 828, on page 7 for a description of HB 832, its companion bill.

A "+" indicates a vote against HB 832 and reflects MBRG's opposition to legislation that mandates employment benefits. Agreeing with MBRG's position, the House Economic Matters Committee rejected HB 832, 5-17, on March 9, 2007.

12 HB 983 – Delegate Jones Economic Development and Tax Incentive Act

See Senate Vote 9, SB 614, on page 7 for a description of HB 983, its companion bill.

A "+" indicates a vote against HB 983 and reflects MBRG's opposition to legislation that requires businesses to divulge proprietary information. Disagreeing with MBRG's position, the House approved HB 983, 96-41, on March 26, 2007 at 5:48 p.m.

13 HB 1143 – Delegate Barve Income Tax Withholding – Nonresident Contractors

See Senate Vote 13, HB 1143, on page 7 for a description of HB 1143.

A "+" indicates a vote for HB 1143 and reflects MBRG's support for legislation that eliminates the tax collecting burden placed on many Maryland businesses. Agreeing with MBRG's position the House approved HB 1143, 138-0, on March 26, 2007 at 5:21 p.m. The bill was signed into law on May 17, 2007.

14 HB 1220 – Delegate McIntosh Chesapeake and Atlantic Coastal Bays Green Fund

Establishes that a local government may not grant a grading or building permit to a person for the development of new impervious surface unless the person has paid an impervious surface fee to the local government of 50 cents per square foot for new residential development and \$1 per square foot for commercial and industrial development with the money going to at least 10 different entities. This targeted tax applies to buyers of new homes and businesses planning to relocate or expand in Maryland. As a result, Maryland economic development activities could decrease due to the impact of the fee on the cost of development.

A "+" indicates a vote against HB 1220 and reflects MBRG's opposition to legislation that increases development costs in Maryland. Disagreeing with MBRG's position, the House approved HB 1220, 96-41, on March 24, 2007 at 2:20 p.m. Subsequently, the bill died in the Senate Education Health and Environmental Affairs and Budget and Taxation Committees without a vote.

2007 Senate Vote Descriptions *(continued from page 2)*

9 SB 614 – Senator Jones Economic Development and Tax Incentive Act

Requires the Department of Assessments and Taxation and the Department of Business and Economic Development to compile and publish annually the Unified Property Tax Exemption and Credit Report and the Unified Economic Development and Tax Incentive Report. These reports detail business tax credits, exemptions, and development subsidies that are greater than \$50,000. This sweeping disclosure mandate produces little meaningful data, but divulges proprietary information for thousands of businesses, which will frustrate the economic development goals that these incentives were designed to achieve.

A “+” indicates a vote against SB 614 and reflects MBRG’s opposition to legislation that requires businesses to divulge proprietary information. Agreeing with MBRG’s position, the Senate Budget and Taxation Committee rejected SB 614, 5-8, on March 29, 2007.

10 SB 678 – Senator Raskin Maryland Human Relations Commission – Hearings and Civil Actions – Relief

Authorizes a Maryland Human Relations Commission administrative law judge to award reinstatement, back pay, compensatory damages, or other relief for employment discrimination violations. The bill also caps awards for noneconomic compensatory damages at \$50,000 to \$300,000, depending on the size of the employer, and allows the MHRC to file a civil action against an employer and be awarded attorney and expert witness fees and costs. This bill will place additional burdens on employers by having to defend yet another cause of action that largely duplicates protections existing under federal law and changes the forces of the Human Relations Commission from mediation to an adjudicatory role.

A “+” indicates a vote against SB 678 and reflects MBRG’s opposition to legislation that increases

businesses’ exposure to civil penalties and compensatory damages. Disagreeing with MBRG’s position, the Senate approved SB 678, 39-8, on March 23, 2007 at 10:45 a.m. The bill was signed into law on April 24, 2007.

11 SB 828 – Senator McFadden Healthy Families and Healthy Workplaces Act

Requires all employers – including state and local government – to provide paid sick leave to employees or be subject to a fine of up to \$1,000. Employers with fewer than 10 employees must provide one hour of paid sick leave for every 80 hours worked, while those with 10 or more employees must provide one hour of paid sick leave for every 37 hours worked. Access to the accrued sick leave starts on an employee’s 90th day of employment. The bill also allows employees to carry over up to 40 hours of unused, paid sick leave to the next calendar year. Currently, the federal Family and Medical Leave Act only requires employers with 50 or more employees to provide up to a total of 12 work weeks of unpaid leave during any 12-month period. This bill will increase salary expenditures for all businesses that currently do not provide paid sick leave.

A “+” indicates a vote against SB 828 and reflects MBRG’s opposition to legislation that mandates employment benefits. Agreeing with MBRG’s position, the Senate Finance Committee rejected SB 828, 0-11, on March 27, 2007.

12 HB 430 – Delegate Taylor State Procurement Contracts – Living Wage

Requires employers with more than 10 employees who are awarded a state service contract of \$100,000 or more to pay an hourly wage of at least \$11.30 to their employees in six metropolitan counties, and at least \$8.50 per hour in the remainder of the State. The bill requires the “living wage” to be

adjusted annually by the Commissioner of Labor and Industry based on increases in the consumer price index. The bill provides for the investigation of complaints, hearings, and fines and penalties for noncompliance, and authorizes an employee to sue for damages when an employer fails to pay the living wage. Employers who violate the living wage requirements must pay \$20 per day per employee in liquidated damages to the State. Since businesses will cover an increase in payroll costs by raising contract prices, this bill inflates State procurement costs, increases the State’s budget deficit, and undermines the State competitive bidding process.

A “+” indicates a vote against HB 430 and reflects MBRG’s opposition to legislation that allows the government to establish artificial wage rates. Disagreeing with MBRG’s position, the Senate approved HB 430, 31-16, on April 9, 2007 at 4:34 p.m. The bill was signed into law on May 8, 2007.

13 HB 1143 – Delegate Barve Income Tax Withholding – Nonresident Contractors

Repeals a tax compliance requirement established by the Budget Reconciliation and Financing Act of 2003 that any person doing business with a nonresident contractor under a contract of \$50,000 or more must withhold payment of three percent of the contract price until the contract is complete and the Comptroller issues a tax clearance certificate. This requirement is burdensome to Maryland businesses working with nonresident companies and has the effect of making Maryland business the tax collector for the State.

A “+” indicates a vote for HB 1143 and reflects MBRG’s support for legislation that eliminates the tax collecting burden placed on many Maryland businesses. Agreeing with MBRG’s position, the Senate approved HB 1143, 47-0, on April 9, 2007 at 3:38 p.m. The bill was signed into law on May 17, 2007.

Calm before the Perfect Storm *(Continued from page 1)*

insurance premiums for any former employee, regardless of grade or salary level, who retires after at least 16 years of employment by the state. Maryland is not subject to the same standards required of corporate employers, which must account for the reserve for retiree health costs. Today, the State faces a minimum \$8 billion dollar unfunded liability for these future expenses. Action is needed now to

relieve this fiscal burden. The remedy will likely be complex and painful, but it cannot be put off. Some corrective measures including the need to start reserving for this liability must be implemented immediately. Not doing so will strain the General Fund and the constitutional requirement for a balanced budget.

Maryland’s recent efforts at fiscal discipline are at best whimsical. We’ve arrived at this critical

juncture under the oft-repeated mantra of a generation of politicians that Maryland is a “rich state.” Let us be reminded that even multi-million dollar lottery winners have found themselves bankrupt after mismanaging their wealth.

The forecast is not good. Such is the price of procrastination. A Perfect Storm can be expected. *

A Message to Our Legislators

Before introducing or voting on legislation, we encourage legislators to consider the following questions:

1. Will the legislation increase or decrease the cost of doing business for companies in Maryland? If the answer is increase, will the added costs of the legislation and subsequent regulations exceed the added benefit to Maryland’s residents?
2. Will the legislation and subsequent regulations be more or less stringent than, or contradictory to, federal law and regulations, or will it give Maryland a competitive advantage or disadvantage with other states?
3. Will the legislation encourage or discourage companies from adding new jobs or keeping current jobs in Maryland?
4. Will the legislation encourage or discourage individuals and/or businesses from investing, building, owning or renting property, or selling and buying goods and services in Maryland?
5. Will the legislation promote or impede the competitive market by removing or imposing legal, economic and/or regulatory burdens, taxes, or costs?
6. Is there another way to solve the problem or address the issue without legislation, or is there existing legislation addressing the matter?
7. Will introducing the bill send a positive or negative message about Maryland’s business climate?

If you are unsure of the answers to these questions, we encourage you to contact a representative from the potentially affected industry to solicit assistance.

How the Votes are Selected

To determine an accurate picture of the Maryland legislature's attitudes toward business, jobs, economic growth, and investment in the state, MBRG's 30-member State Advisory Council selects those recorded votes from the last General Assembly session having practical or philosophical importance to the widest possible range of Maryland businesses, trade associations, and chambers of commerce. For this 2007 edition, MBRG surveyed the General Assembly regarding their views on important legislation affecting business and industry. The council reviewed all survey responses during the selection process.

In order to arrive at the most accurate measure of the legislature's position on business matters, we include votes taken from different stages of the legislative process: final (third reader), in committee, votes on amendments and critical motions, and votes on gubernatorial nominations. We may at times omit a particular piece of legislation due to a lack of strong consensus in the business community.

Although this evaluation process summarizes a legislative system that involves weeks of debate, amendment and compromise, voting records remain the best indicator of a legislator's inclination. MBRG neither gives pass/fail scores nor expressly or implicitly endorses or rejects any incumbent on the basis of certain selected votes.

A complete evaluation of a legislator's support for business should be made by examining committee and floor votes and considering unrecorded matters such as performance on subcommittees, communication with business representatives, and service to constituent businesses.

Roll Call is intended to improve the understanding by elected and appointed officials of the effect of public policy on businesses and the willingness and ability of businesses to create jobs, invest, and prosper in Maryland. It is our belief that a positive business climate is critical to all other social progress.

The Meaning of "Business Friendly"

Following are elements of a positive business climate that have been identified by MBRG business leaders. MBRG urges Maryland's elected and appointed officials to strive for a balanced public policy approach that includes the consideration of the impact of new laws and regulations on the state's business climate. The following attributes of "business friendly" public policy would have significant, measurable, and positive impact on all citizens in the state.

Fiscal responsibility

- A budget process that limits new spending and prohibits unfunded mandates that inevitably result in new taxes, fees or surcharges.
- A tax structure that is focused on attracting and retaining private jobs and investment in Maryland.
- A stable, consistent investment program to maintain and upgrade critical infrastructure and education needs.

Regulations

- A regulatory process that does not interfere with the free market's economic forces and upholds existing contracts to give businesses and institutions the confidence to continue bringing jobs and investment to Maryland.
- A regulatory structure that does not exceed federal standards and ensures that the cost of rules and

regulations—which is always passed on to the public—is justifiable and consistent with public benefits.

- A regulatory framework that is fair, clear, and updated to take advantage of changes in technology and market forces.

Employer-employee relations

- A market based wage and benefit structure that reflects changes in the U.S. economy and ensures that all workers are compensated based on performance and value in the marketplace.
- A workers compensation, unemployment and health insurance system that yields benefits consistent with the reasonable needs of the beneficiary.
- A labor environment that allows every worker free choice concerning union affiliation. *

A Word About MBRG

MBRG's purpose is to inform Maryland's business community, elected officials, and the general public about the political and economic environment needed to foster economic development and job creation in Maryland.

Annual evaluations of the voting records of Maryland's state and federal legislators enable MBRG to hold politicians accountable for the state's economic well-being like no other organization.

MBRG is a statewide, nonpartisan political research and education organization supported by corporations, trade associations, chambers of commerce, and individuals.



MBRG Membership Application

Please photocopy and mail with your check or visit www.mbrg.org to purchase an MBRG membership today.

We recognize that among businesses there are many variables in choosing a membership level. Please consider the following criteria in selecting an appropriate level of membership: gross revenues, net earnings, number of employees, presence in state, and interest and commitment to MBRG's purpose—to improve the role of business in Maryland's public policy and provide support for pro-business candidates of both parties.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip Code _____

Phone _____ Fax _____

E-Mail _____

Enclosed is a check in the amount of \$ _____

MBRG Membership Levels	
<input type="checkbox"/> Trustees' Circle	\$15,000
<input type="checkbox"/> Director	\$10,000
<input type="checkbox"/> Chairman	\$ 5,000
<input type="checkbox"/> President	\$ 2,500
<input type="checkbox"/> Leadership	\$ 1,500
<input type="checkbox"/> Benefactor	\$ 1,000
<input type="checkbox"/> Member	\$ 500

Please make all checks payable to MBRG and mail with membership application to: MBRG, 1122 Kenilworth Drive, Suite 503, Baltimore, MD 21204.

For more information visit our web site: www.mbrg.org or call 410-296-5621.

Contributions and dues to MBRG are not tax-deductible as charitable contributions; however, they may be tax-deductible as ordinary and necessary business expenses.



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