

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

May 1, 2024

PRESENT

Dr. Mary Bolt (Cecil College), Kristina Brown (Delmarva Power), JoAnn Dawson (Fairwinds), Joe DiNunzio (Artesian Water), Amy DiPietro (MRA), Sandra Edwards (OED Mgr.), Woody Jackson (Citizen), Kimberly Justus (SWN), Dr. Jeffrey Lawson (CCPS), Robert Palsgrove (Citizen), Michael Ratchford (W.L. Gore & Assoc.), Mike Travers (Cecil Dancer)

ABSENT

Ariel Balog (Ag-Industry Coordinator), Danny DeMarinis (NEMD URP), Vince Fiorelli (Chesapeake Utilities), Ed Jones (Northrop Grumman), Amy Marston (Christiana Care-Union), Sandy Maruchi-Turner (Tourism Manager), Morgan Miller (CCPL), Carl Roberts (BDC), Bill Sorenson (OED Director)

GUESTS

Hannah Allen (MD Chamber of Commerce), Scott Flanigan (DPW), Megan McRay (Chamber of Commerce), John Ness (WCHC), Brigitte Peters (MD Commerce), Alan Sexton (SWN), Maura Van Syckle (SBDC)

Call to Order & Welcome – Mike Ratchford

- Meeting called to order at 8:00 am
- Meeting minutes approved for April 2024

Chairman's Report – Mike Ratchford

- Hannah Allen, Director of Government Affairs, MD Chamber of Commerce to present legislative session update

Director's Report – Sandra Edwards for Bill Sorenson

- National Small Business Week – support small businesses (shop, like on Facebook, etc.); social media posts
 - Attending Ribbon Cuttings/Grand Openings
 - Hosted Workshop at North East Library on Generative AI; help businesses with marketing use this tool – saves time and money
 - May 9 – One-Day Patents Boot Camp; US Patents and Trademarks Office staff to present
 - Important for small businesses to protect their brand; protecting intellectual ideas
 - May 14 – One-Day Trademarks Book Camp; US Patents and Trademarks Office to present
 - MD Economic Development Association (MEDA) Annual Conference in Cambridge last week
 - Great Wolf Lodge won Small Community Project for the year; Steve Jacobsen, Development Director, Chicago accepted award
- Reminder - OED can run Placer reports for businesses
- Working on partnership program with Upper Shore Regional Council (USRC) and Cecil County Public Library on Video equipment loan program – more to come
 - Galvinell – devastating fire, est. \$2.5M in damages; OED offering assistance if needed
 - 1st Ag Education Days – 7th graders going to Fair Hill to learn about agriculture
 - Partnership between CCPS, Soil Conservation District, Extension Office, and OED

A Legislative Session Update was presented by Hannah Allen, Director of Government Affairs, MD Chamber of Commerce

- Legislative recap webinar now posted on YouTube
- **Focus of Session:**
 - MD Blueprint for Education w/price tag of billions
 - How to Fund – how to raise revenue, what taxes/fees could be implemented
 - Other Revenue Needs: State’s Transportation Trust Fund
- **Fair Share for Maryland Act Bill** – proposals on businesses
 - Worldwide combined reporting the throwback rule (main focus)
 - Additional tasks on pass-through entities (typically small businesses)
- **Update Sales Tax on Services Bill** - impact business-to-business services; expand tax to almost any service
 - Lower State Sales Tax from 6% to 5%
 - House wants to raise revenue with expanded sales tax on services, combined reporting, pass novel taxes, new fees; Senate held tight on no new taxes, no new business taxes
- **Business Tax Structure** – no major changes
 - No one wants to raise taxes; governor doesn’t want to raise taxes
 - How to fund commitments of Blueprint
- **Transportation Fee Bills** - introduced as revenue for State’s Transportation Trust Fund
 - Changes: new electric vehicle surcharge fee, adding new classification for weight-base registration for vehicles, transportation network company fee of \$.75/ride (fee on Ubers, lifts, etc. but does not supersede local fees), work-zone safety fees, increased dealer processing fee when buying new car
 - New transportation fees estimated to raise \$320M-\$350M over 3+ yrs.
- **Consolidated Transportation Plan** – plan for revenue; current shortfall \$100M for FY2025 going to \$2B over 6-year cycle of plan
 - Train Commission to review/recommend transportation funding solution by end of year
- **Data Privacy** – framework for regulating how consumers personal data is controlled, used, and processed
 - Pushed for alignment with other states mirroring definitions and enforcement
 - Change for Maryland for data minimization
- **Paid Family and Medical Leave Insurance Program** –
 - Dept. of Labor made modifications, working on regulations
 - Implementation date delayed – Contributions begin July 1, 2025 apply to employees and businesses w/15+ employees; Benefits can be drawn starting July 1, 2026
 - Employers can’t self-insure and use private plan if opting out of State’s plan
- **Cannabis** –
 - Employer can no longer use currently accepted cannabis tests to determine if under influence; Testing capabilities and technologies not out yet – no test like for alcohol
 - Concerns esp. for safety, sensitive positions (forklift, roofing)
- **Wage Range Transparency in MD** – More to come
- **Energy & Environment** -
 - MD Dept. of Environment released Climate Pollution Production Plan – recommendations to meet State’s greenhouse gas reduction goals
 - Hazardous substance fee for transporting coal & natural gas
 - Cap and Invest Program – statewide carbon tax
- **Better Buildings Act** – mandates new residential or commercial construction meets electric-ready standards

A Legislative Session Update was presented by Hannah Allen, Director of Government Affairs, MD Chamber of Commerce

- High costs of construction; will be passed on to people buying and building (homes, buildings, commercial buildings, retail)
- Governor focused on affordable housing
- ***Non-Economic Damages Bill*** – Removes cap on non-economic damages and civil actions for personal injury or wrongful death
- Economic Damages – direct expenses of an accident (medical bills, lost wages, etc.)
- Non-Economic Damages – intangibles (pain & suffering, physical impairment); cap \$935,000
- If cap had been increased, insurance premiums would increase 13-18% avg, auto liability 22-30% avg.
- Successful legislative session; over 2700 bills filed; big focus on revenue raisers to address budget deficit
- Key Bridge collapse demanded focus
- ***Items to Look at:***
 - State permitting process – streamline to make MD more competitive
 - Military Retirement Income Tax Exempting – incentivize veterans to stay in MD
 - Spouses and children stay – produce tax revenue

MD Dept. of Commerce – Brigitte Peters (message in chat)

- Link – Governor's office looking for dozen private sector employers to participate in Service/Civic engagement related to Service Year Option Initiatives
- More Jobs for Maryland sun setting this year

Cecil College Update – Dr. Mary Bolt

- In Blueprint - Great initiative funding 4-year colleges; Community Colleges squeezed; Governor cut \$122M from budget
- Community College supposed to educate and provide workforce training
- Can't fund two sectors of education and not fund the middle – where many Marylanders' start jobs/careers
- Groundbreaking of Facilities new Entrance and Facilities Lead Building Project (started 2013); provide better safety for egress on campus, lead building for facilities, and some conference space
 - To be completed in 14 months
- May 19 – Graduation; 230 students

Adjournment

The meeting adjourned at 8:52am

Next EDC Meeting is June 5, 2024. This meeting was scheduled to be IN-PERSON; however, will now be VIRTUAL.

Respectfully Submitted,

Terri Springel
Administrative Assistant