GENERAL ASSEMBLY UPDATES

As the General Assembly moves into late January, their primary focus lies in approving the fiscal budget plan for 2022 and providing new economic relief.

On Tuesday, January 26, the Maryland Legislature held its first hearing on Governor Hogan’s RELIEF Act, which aims to support small businesses and citizens by exempting them from increases in unemployment and state loan taxes, and allowing forgiveness of certain small business debt, as noted in our last memo. In response to the relief legislation, Senate Democrats have proposed adding an additional $520 million over the next two years in financial aid through debt forgiveness, grants for small business, and direct payments for families. The relief package is now with the Senate Budget & Tax Committee to make changes and come to a consensus to be able to move the bill forward.

FIRST HEARING

On Tuesday, we had our first bill hearing in the Senate Budget & Tax Committee (at the same hearing where the Governor’s Relief Act was heard!) As noted last week, we submitted joint written testimony on behalf of HACC and AACP. John Van Horne, HACC Board President and General Manager of Arundel Cooling & Heating, represented HACC at the hearing and had the opportunity to testify as lead witness in support of the bill.

The Senate Budget & Tax Committee convened for a virtual hearing on January 26 to consider a number of bills including the Governor’s RELIEF Act and our IAQ Tax Credit bill.

In his testimony, John described his small family-owned and operated business that employs 12 HVAC technicians trained to install IAQ equipment. He told the Committee that “especially now in the context of COVID and our economic crisis, small businesses and families could use help to afford these Indoor Air Quality improvements.” John described this tax credit as “one lever that this Committee and legislature can pull to help put our economy back on the right track, help small businesses reopen safely in the months ahead, and help Maryland families improve the health and safety of their indoor environment—generating lasting and long-term benefits.”

Michael Wheat, representing AACP, also testified in support of the bill. There was no one testifying against the bill at this hearing. Our bill sponsor, Senator Benson, shared with the committee our proposed amendment that would address equity by targeting low-income households and including small multi-family properties.
so that renters can also benefit. Moving forward, we will be working to get the bill reprinted with those changes.

This hearing and John’s well-delivered testimony was a key opportunity to further raise the profile of HACC and put a face to the organization in front of this committee. This was the first time HACC has testified before the Budget & Tax Committee.

You can watch HACC’s testimony here: https://youtu.be/XjakMwLIHx8?t=5524

John Van Horne testifies at the Jan. 26 hearing.

OUR BILLS: Other Updates

IAQ Tax Credit

Delegate Brooks introduced the House version of our bill this week (HB778). It was referred to the House Ways & Means Committee, and we anticipate getting a hearing date soon!

Scholarship Eligibility Bill

We are still awaiting introduction in the House and Senate, as the cross-filing process appears to be held up in Legislative Services. Delegate Bridges and Senator Benson are our lead sponsors, and we are continuing to work with them to help get it filed as soon as possible. We anticipate this bill will be referred to the Senate Education, Health, and Environmental Affairs Committee and the House Appropriations Committee.

WATCHDOG: MONITORING RELEVANT LEGISLATION

We are tracking legislation that may impact HACC and membership. Below are summaries of new bills that may be of interest.

Efficiency/Clean Energy Bills

- **HB 0630 Primary and Secondary Education School District Energy Use Act**: requires school districts to update policy with targets for greenhouse gas emissions, renewable energy use, and energy efficiency standards.

Business-Related Bills

- **HB 0654 Maryland Small Business Innovative Research and Technology Incentive Program**: provides incentives and awards for small businesses that engage in research and development to create jobs in entrepreneurship and innovation.

Note, we continue to track the relevant legislation that was introduced in past weeks and will keep you apprised of any new developments with those going forward. The following bills have already had initial hearings:

- **SB261 Anne Arundel County Property Tax Credit for Business Entities – State of Emergency**.
- **SB133/HB319 Local Tax Relief for Working Families Act of 2021**.
- **HB60 Income Tax – Green Buildings Tax Credit – Multifamily Housing**.
- **SB133/HB319 Local Tax Relief for Working Families Act of 2021**.
- **SB414 Climate Solutions Now Act of 2021**.

As always, please don’t hesitate to let us know if you have feedback or questions.

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