

2020 Maryland General Assembly Legislative Session Report

Below please find the legislative report for the 2020 Legislative Session. Overall, the Maryland Tourism Coalition had a great year. For the first time in decades, the Legislature had new leadership in both the Senate and the House.

Senator Bill Ferguson was elected to be the Senate President. In the Senate there were many leadership changes, including but not limited to two new standing committee chairmen, a new President Pro Tem, and a new Majority leader.

Adrienne Jones was the first elected African American and female Speaker of the House. In the House, although there were some leadership changes, the standing committee chair people remained the same.

The major priority of the legislature was to fund the Kirwan Commission, which is a multi-year K-12 educational restructuring program entitled Blueprint for Maryland's Future. This included school construction and local government financial contributions. In an effort to fund this, the Legislature introduced numerous tax bills that were sweeping in nature. We will be discussing some of these bills in further detail below.

Unfortunately, the legislature had to end three weeks early on March 18, 2020 due to COVID-19. It was the first time since the Civil War that they chose to end Session early. As a result, many bills did not make it across the finish line, ultimately dying because they ran out of time. In fact, the general public and registered lobbyists were not allowed in any of the Legislative buildings for the last week. This created concerns of violations of the open meetings rule, which allows for public input and access to the legislative process.

During the Session, the MTC legislative committee reviewed over 3000 bills and tracked over 50 bills through the Session of importance to this association. Below is a review of legislation of major importance:

I. PASSED BILLS: The descriptions below summarize the bills as passed.

HB 56 (Chesapeake Bay Bridge – Reconstruction Advisory Group and Traffic Study)

Final Status: Passed

Creates an advisory group whose purpose is to make recommendations on how to avoid traffic back-ups. Annual reports and recommendations begin July 2021.

HB 123 (Labor and Employment - Wage History and Wage Range)

Final Status: Passed

Provides for applicants to receive the wage range for the position for which they applied; prohibits an employer from relying on wage history and from seeking the wage history except in certain circumstances where an employer can confirm their wage history. Although we were opposed to this bill, for some reason the Committee really liked it.

HB 864/SB 375 (Harford County – Alcoholic Beverages – Hotel Lobby License)

Final Status: Passed

Authorizes the Board of License Commissioners for Harford County to issue a hotel lobby license that allows a license holder to sell beer, wine, and liquor for on-premises consumption. This is a great outcome which will streamline the process for hoteliers in Hartford County to obtain the necessary alcoholic beverages licenses.

HB 732 (Taxation – Tobacco Tax, Sales and Use Tax, and Digital Advertising Gross Revenues Tax)

Final Status: Passed

Establishes a higher tax rate for tobacco products. It also establishes a tax on the gross revenue received by owners of digital interfaces for the money received as a result of displaying ads seen by Maryland users of the website or application. The language of this bill originated in SB 2/ HB 695 but was added into this taxation bill towards the end of Session.

Although this bill remains of major concern to Amazon, Google, Facebook, etc., we tracked this bill for you because of the implications it could have on tourism advertising. All indications point towards the Governor vetoing this bill. The Governor has until May 7, 2020 to take action. That said, we will need to work the Legislature to gain votes to sustain the veto. We will continue to work with other stakeholders in this regard.

HB 932 (21st-Century Economy Fairness Act)

Final Status: Passed

Establishes an end user sales tax on digitally downloaded goods, such as e-books, music, and videos, the proceeds of which will fund the Blueprint for Maryland's Future. As discussed above, this is a new tax bill. It basically creates an equivalent tax for the digital version of items that are taxed when purchased at a brick and mortar store. This could potentially effect items purchased by guests from their hotel room TVs.

HB 1444/SB 531 (Discrimination on the Basis of Race –Hair Texture and Hairstyles)

Final Status: Passed

Defines "race" and "protective hairstyle" to include certain traits associated with race, including hair texture and certain hairstyles for the purposes of certain laws prohibiting discrimination. This became a very hot button issue and for obvious reasons was a very sensitive issue for many legislators. Basically, you can not discriminate against anyone because of their hair or hair styles.

SB 190 (Budget Bill) Tourism Funding

Final Status: Passed

We believe the Maryland Office of Tourism Development received its fully funded request of over \$5 million and the Maryland Tourism Development Board received over \$10 million. (Please note the final budget has not been released and we do not know the final numbers yet.) That said we are happy to see an increase in tourism funding.

SB 118 (Land Use – Alcohol Production and Agricultural Alcohol Production)

Final Status: Passed

Authorizes charter counties to regulate the production of alcohol on agricultural land, including regulations related to tastings and storage.

II. **BILLS THAT DIED:** The descriptions below summarize the bills as they were introduced.

HB 296 (Environment – Single–Use Plastic Straws – Use in a Food Service Business)

Final Status: Died in Committee

Would have prohibited a food service business from providing single–use plastic straws to customers unless a customer requested a straw. MHLA basically monitored this bill so that we would know what if any changes in the law there would be. Some hotels already follow this procedure, others do not. We expect to see this bill back next year.

HB 354 (Solid Waste Management – Personal Cleansing Products Provided at Lodging Establishments – Prohibition)

Final Status: Died in Committee

Would have prohibited a lodging establishment from providing non-reusable small plastic bottles, less than 6 oz., filled with shampoo, conditioner, or soap to guests unless a guest specifically requested them. Although our industry is totally supportive of this bill, simply stated the House committee members like single use amenities and did not feel like this was a priority.

HB 382 (Business Regulation – Innkeepers – Records and Human Trafficking Awareness Training)

Final Status: Died in Committee

Would have required all innkeepers to maintain a computerized record of all guest transactions and receipts for not less than 6 months. Additionally, it would have mandated annual training of all hotel employees in human trafficking awareness to ensure accurate and prompt identification and reporting of suspected human trafficking.

We totally supported this bill, since many local jurisdictions already have similar laws on the books regarding trainings. We had worked with the sponsor of the bill on amendments that would have made the bill better. A uniform, statewide law would be easier for our industry. Unfortunately, with the shortened Session, this bill did not make it through.

HB 712/SB 260 (Labor and Employment – Leave With Pay – Bereavement Leave (Family Bereavement Act))

Final Status: House Bill died in Senate; Senate Bill died in Committee

Would have defined what constitutes bereavement leave for leave with pay. For example, this bill would have given bereavement leave in situations where a pet passed away as well. Although this bill passed the house, it was killed in the Senate.

HB 743/SB 558 (Universal School Start Act of 2020)

Final Status: Died in Committee

Would have required counties to set the start date of the school year to be not earlier than the first Tuesday after Labor Day, beginning with the 2020-2021 school year and granting exemptions for certain schools. MHLA has in the past, and will continue to support, all post-Labor Day school start bills. It is unlikely that this Legislature will change the school start date anytime soon. Nevertheless, we support the effort.

HB 987 (Environment – Recycling – Hotels)

Final Status: Died in Committee

Would have required hotels to provide recycling for hotel guests and to mandate recycling of glass, plastic, aluminum, paper and paper products used at the hotel by staff or guests. MHLA testified on this bill in opposition to bring to light the difficulties hotels would face trying to adhere to the bill, especially since counties have different recycling requirements. Ultimately, the Committee was receptive to this and did not have an appetite for moving this bill.

HB 988 (Environment – Business Recycling Reporting Requirements)

Final Status: Died in Committee

Would have required businesses to submit a recycling report to the County each year and specified the required contents of the recycling report, such as the total weight of solid waste generated and the amount and types of recycled materials. This bill was a companion bill to HB 987 and like that bill would have created a burden on hotels. Again, the Committee did not have an appetite this Session for this bill.

HB 1021/ SB 906 (Labor and Employment – Maryland Healthy Working Families Act – Seasonal Temporary Workers)

Final Status: Died in Committee

Expressly states that an employer may not be required to allow an employee to take leave within the first 120 (currently 106) calendar days of employment; and, requires reinstatement of unused leave if employee rehired within 32 weeks (currently 37).

HB 1147/SB 401 (Places of Public Accommodation and Public Buildings – Single–Occupancy Public Restrooms – Availability (The Accessible to All Act))

Final Status: House Bill withdrawn; Senate Bill died in Committee

Would have required that a single–occupancy public restroom be marked with gender–inclusive signage that did not use a pictorial representation and used only descriptive language such as “restroom” in places of public accommodation and public buildings. I am not sure why the bill was withdrawn, but many local counties are already doing this. I am sure that this bill will return next Session.

HB 1354 (Sales and Use Tax and Personal Property Tax – Services, Aircraft Parts and Equipment, and Data Centers)

Final Status: Died in Senate

Would have altered the definition of "taxable service" under the sales and use tax to impose the tax on certain services, including but not limited to cleaning or storage services, boat repair services, dog walkers, interior design or decorating services, travel arrangements, watch or jewelry repair, golf course or country club memberships, etc.

This bill became known as the “Luxury Service Tax Bill”. As you can see from the above title, the bill started with a service tax on “luxury” services. Once it was apparent that House Bill 1628 was going to die, the Ways and Means committee took some of those services and moved them to this bill to be taxed. Of major

importance to MTC was the tax on booking services, marina services, tour operations, etc. This bill also included a tax on lobbying services. The Senate never liked the bill and thus it died there after being heavily amended.

HB 1441 (Economic Development – Maryland Tourism Development Board – Grants)

Final Status: Withdrawn

Would have included non-governmental tourism organizations as eligible entities to receive grants.

HB 1541/SB 707 (Task Force on the Tourism Industry in Maryland)

Final Status: House Bill Died in Committee; Senate Bill Died in House

Would have established a task force to study the funding needs and additional training needed to support tourism related businesses with an emphasis on small and minority businesses with aim to increase diversity in the industry across the State.

HB 1598 (Washington County –Hotel Rental Tax–Rate and Distribution of Revenue)

Final Status: Died in Committee

Would have changed the hotel rental tax rate in Washington County from 6% to \$8.50 per room per night and where the proceeds of the tax went towards. This was an interesting bill because depending on the price of the room, some taxes would be cheaper while for others it would be a tax increase. Although MHLA was ultimately opposed to a tax increase, we closely monitored this bill as the local hoteliers from the County sought to work this out.

HB 1628 (Sales and Use Tax - Rate Reduction and Services)

Final Status: Died in Committee

Would have reduced the statewide sales and use tax to 5% while expanding the categories of services that must be taxed. This was the big tax on services bill. Basically, this bill would have taxed any service in the state if it was not already taxed. Our main concern was the tax on booking services, travel agency services, marina services, etc. This bill was ultimately killed in Committee but many of the taxable services were transferred to HB 1354 mentioned above.

SB 66 (Income Tax – Credit for Small Businesses – State Minimum Wage Increase)

Final Status: Died in Committee

Would have granted qualified small businesses a tax credit to offset increases in minimum wage. The credit was based on the difference between minimum wage and \$10.10/hr and would have been applicable through 2029.