



2016 Legislative Session Begins

Dear Friend,

January 13th marked the opening day of the 2016 Legislative Session and I am proud to return to Annapolis to represent you in the Maryland State Senate.

The Senate's first order of business was to address several vetoes that Governor Hogan exercised last year. One of the vetoed bills - the so called "Marriott Bill" - closed a tax loophole by requiring third party on-line booking companies to remit to the State, in its entirety, the sales tax they collect from consumers. Without this bill, out-of-state booking companies would be able to obtain an underserved windfall by allowing them to make a reduced sales tax payment to the State, providing them with an unfair competitive advantage over Maryland hotels such as Marriott (headquartered in Bethesda) who book their rooms directly to the public. This bill passed overwhelmingly last year and protects hotel industry jobs in Montgomery County. Last Thursday, the Senate overrode the Governor's veto by the required 3/5 majority.

As the only Attorney/CPA in the General Assembly, my areas of interest and the committees on which I serve reflect my professional background. I am a member of the Senate Finance Committee, chair its Transportation Subcommittee and continue to serve on the Joint Committee on Cybersecurity, Information Technology and Biotechnology. I also am the Senate Chair of the Joint Committee on Federal Relations, a House-Senate committee which interacts with Maryland's Congressional delegation on federal-state issues impacting our State.

Please take a moment to review the highlights below and, as always, do not hesitate to contact me with your comments, questions or concerns at brian.feldman@senate.state.md.us.

Maryland's Economy

Recently appointed to serve on the Maryland Economic Development Commission, I can report that Maryland's economy continues to show improvement with slow but steady gains. Information technology, telecommunications, aerospace and defense are leading forces behind Maryland's economic growth. In the biotechnology area, Maryland is a noted international leader and at the center of the mapping of the human genome and commercial applications that result from such research. The State unemployment rate, last released in December, was 5.1%, a little above the national average of 5.0% for December. However, Maryland maintains its coveted **AAA bond rating** from all three credit rating agencies, an endorsement from Wall Street that the State has effectively managed its fiscal affairs. Maryland is one of only ten states to maintain that top rating from Moody's, Fitch and Standard and Poor's.

Governor Hogan Proposes Fiscal Year 2017 Budget

Unlike the Federal government, the Maryland constitution requires the State to pass a balanced budget each year. Last week, Governor Hogan introduced a proposed \$ 42.3 billion State budget for fiscal year 2017 that the General Assembly is currently reviewing. The proposed budget preserves cash resources with a General Fund balance of \$ 449 million and a Rainy Day Fund balance of \$ 1.1 billion. The good news is that the Administration forecasts a structural surplus of close to \$ 100 million for fiscal year 2018.

Education

Supporting our nationally recognized public education is one of my highest priorities. We must continue to invest in our schools and our children's future.

I am pleased to note that due to legislation that was passed last year that mandated the Geographic Cost of Education Index be fully funded, K-12 education has been budgeted for the full amount of \$ 6.3 billion. Montgomery County will receive \$ 637.2 million, an increase of \$ 27.7 million over last year, a 4.3% increase. \$314 million is allocated for school construction. However, tuition for higher education will increase 2% under the Governor's proposal.

Notwithstanding the challenges associated with maintaining funding for education, *Education Week*, the nation's leading education newspaper ranked Maryland #4 in the nation among state school systems, just behind Massachusetts (#1), New Jersey and Vermont. *Education Week's* report is compiled from detailed data and analysis of the Editorial Projects in the Education Research Center.

Feldman Agenda

Last Session I was pleased to sponsor an unprecedented piece of financial legislation for the disability community. The bill, **The Task Force on the Maryland Achieving A Better Life Experience (ABLE) Program**, established a task force to create the framework for a tax-advantaged savings account for Marylanders with disabilities. Serving on the Task Force during the interim with members from the disability community and other stake holders, together we issued a report in December with recommendations on how to best implement an ABLE program in Maryland. I am sponsoring the **2016 ABLE Act** this Session which reflects those recommendations. Once established, individuals with disabilities and their families will be able to set up and fund accounts similar to 529 College Savings Plans. The account funds can cover employment training and assistance, educational expenses, transportation and medical expenses without affecting eligibility for Social Security and Medicaid funds. It is believed that over 50,000 Marylanders will be able to open ABLE accounts when they become available.

I am dedicated to passing legislation that promotes the use of clean, renewable energy sources in Maryland, while also generating high paying clean energy related jobs. Last Session, I sponsored **The Maryland Clean Energy Advancement Act of 2015**, the **environmental community's top legislative priority**. As the lead sponsor, I worked with environmental advocates to establish a requirement of 25% clean electricity in Maryland by 2020. Although this initiative did not pass, I am collaborating with Senate Majority Leader Catherine Pugh this Session to re-introduce the bill. **The Clean Energy Job Act of 2016** will establish a requirement of 25% clean electricity by 2020 and direct a \$ 40 million multi-year investment toward clean energy job training programs.

On a related note, I serve as the Senate representative on **The Maryland Electric Vehicle Infrastructure Council** and am sponsoring the **Electric Vehicle Recharging Equipment** bill which will establish standards for the installation and use of electric vehicle recharging equipment in multi-unit housing communities. With this exciting new technology available to consumers, I will continue to advocate for the expanded use of electric vehicles in Maryland and the supporting infrastructure needed to make it accessible.

Finally, because of a tragic experience involving several fatalities that touched many of my constituents, I am working with Delegate David Fraser-Hidalgo to introduce legislation, **Providing Alcohol to Underage Drinkers - Penalties**. This bill would increase the potential penalties for those who provide alcohol to minors and/or host underage drinking parties. The maximum civil fines would increase and the judge would, for the first time, have the discretion to require jail time in the most egregious circumstances.

I will continue to keep you apprised of these and other legislative initiatives during the ninety day Session. Please do not hesitate to contact me if you have any comments or questions. I can be reached by email at brian.feldman@senate.state.md.us or you can call my office at [301-858-3169](tel:301-858-3169).

Sincerely,

