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Montgomery County

Chair
Montgomery County Delegation

Economic Matters Committee

Chair
Banking, Economic Development,
Science and Technology Subcommittee

Joint Committee on Administrative,
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Dear Friend,

We have reached the end of the Maryland General Assembly's 2008 Legislative Session. I want to take this opportunity to provide you with a recap of some of the highlights of the Session. Thank you for taking the time to read the information below. If you have any questions or comments, please do not hesitate to contact my office.

As Chair of the House Banking, Economic Development, Science and Technology Subcommittee, I worked on a package of bills addressing the foreclosure crisis. I believe that we made great strides towards reducing the incidences of foreclosure and safeguarding the system for the future. Some key aspects of the package include the following: 1) making mortgage fraud a state crime; 2) reforming lending practices of mortgage industry professionals to better ensure that borrowers have the ability to repay their loans; 3) increasing the mortgage lender and mortgage broker licensing requirements; 4) modifying the "Protection for Homeowners in Foreclosure Act" (PHIFA), which was passed in 2005, by banning the conveyance of real property in the foreclosure rescue context; 5) strengthening the foreclosure notification requirements and extending the time frame for foreclosure proceedings.

Over the last few years, energy costs in Maryland have soared, and our environment, including the Chesapeake Bay, is paying the price for the increase in energy use. My committee heard a package of bills introduced by the Governor that addresses these two concerns. In the end, we passed several measures that will help curb energy rates in Maryland while moving our state toward more reliance on "renewable" energy sources.

Included in the package were measures to: provide money for state investment in the emerging clean energy industry and promote programs that reduce electricity consumption by low and moderate income consumers; reduce statewide per-capita energy consumption and peak demand; dramatically increase the amount of renewable energy used in Maryland; create tax incentives for companies and individuals who want to purchase solar and geothermal energy systems; and provide rate relief for consumers in the BGE service area.

One of the most pressing issues this year was the movement to repeal the computer services tax. During the 2007 Special Session, the Governor introduced legislation which included expanding the sales tax to several new services in an attempt

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to address the state's structural budget deficit. At the end of the Special Session, in a last minute conference committee, computer services were included. The new law was set to take effect on July 1, 2008.

Although I disagreed with how we paid for the repeal, I am pleased to report that the Maryland General Assembly saw the error in its ways and repealed this tax. I greatly appreciate the time, effort, and advocacy that the computer services industry invested in making sure my fellow legislators understood the long-term damage this measure would have had on our State.

The Session yielded several successes in the environmental arena. Included among the major legislative priorities this year that passed the General Assembly was legislation providing \$25 million for cleaning up the Chesapeake Bay; tightened regulations on development in environmentally sensitive areas through the "Critical Area Act;" boosted the required renewable energy portfolio for the state, ensuring that the state will utilize wind, solar, and other renewable energies; increased grants available for solar energy production; and improved the standards for state buildings so that all new and renovated buildings meet energy efficient standards.

We also addressed several challenges facing our healthcare system this year by extending access to health insurance to 100,000 uninsured Marylanders by expanding the Medicaid eligibility requirements. In addition, the "Kids First Act" is expected to expand coverage to nearly 140,000 uninsured children, and we closed the "donut hole" for prescription drug coverage for seniors, which will increase access to necessary prescription drugs for low and moderate-income seniors.

My own legislation this year focused on several areas of business regulation in need of reform. There were two bills that I am particularly proud to have ushered through the legislative process during the Session. **HB 1296** will enable CPAs to practice in other states without having to face cumbersome barriers. Under current arrangements with other states, Maryland CPAs face significant licensing and fee requirements when serving out-of-state clients. The new law involves a series of reciprocal agreements with other states which remove these requirements. In addition, **HB 743** provides certain new rights to corporate shareholders in the event of a management buyout. Currently, when management insiders attempt to purchase a company, they can undervalue the stock to the detriment of the average shareholder. The new law will enable average shareholders to demand that an independent appraisal be done of the company to ensure they are receiving fair value for their stock

As Chair of the Montgomery County Delegation, I worked with my colleagues to attain record funding for capital projects in Montgomery County. A variety of projects in Montgomery County received State grants for capital improvements including \$200,000 for the Maryland Youth Ballet, \$2 million for a new live music venue in Silver Spring, and over \$1.5 million for Montgomery County hospitals. In total, Montgomery County will receive over \$113 million dollars in capital grants and projects.

Further, despite the downturn in our economy, the Maryland General Assembly maintained record funding for education, including over \$400 million for operating expenses for Montgomery County Schools in the FY 2009 budget, plus tens of millions of dollars in school construction funds for our County. In addition, due to some very

tough negotiating by the Montgomery County Delegation, for the first time since the passage of the Thornton Bridge to Excellence Act in 2002, the State will be funding the Geographic Cost of Education Index, which greatly helps Montgomery County pay for high quality K-12 education. We were also able to provide some relief for our students attending or preparing to attend Maryland institutions of higher learning by freezing tuition at most State universities.

One of the other major challenges for Montgomery County is finding enough money to fund essential improvements in transportation. This year, we were able to fund \$45 million in transportation projects in Montgomery County, and additional funds are earmarked for the Corridor Cities Transitway and the "Purple Line."

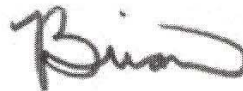
Finally, one of the critical challenges for Maryland is addressing the rampant crime and violence that is becoming more widespread in the United States. This year, we passed a bill allowing for an expansion of the DNA database that will help prosecutors and detectives link suspects to crimes. Also, included in the budget was money to institute a GPS tracking system for juvenile offenders. We also made major steps to address crime recidivism rates. Statistics have shown that criminal offenders who have access to jobs when released from prison are much less likely to re-offend. We overhauled the correctional education program and increased funding for job training and work force development in the prisons.

In the end, I feel that the 2008 Legislative Session was a successful one for our State. We were able to secure necessary funding for many essential programs like health, criminal justice, education, and the environment without sacrificing the 2% cost of living adjustment for state employees or increasing the gas tax during an economic downturn.

I thank you for taking the time to read this update. If you have any questions, or would like to have me speak to a community group about any of the legislation passed or introduced during the 2008 legislative session, please contact my office. As for me, I now begin the process of planning my priorities for the 2009 Legislative Session.

Thank you again for all your input throughout the past year and the trust you have placed in me to represent you in Annapolis. Please stay in touch and if there is ever any way I can be of service, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian", with a stylized flourish at the end.

Brian J. Feldman