



**Alexander & Cleaver
Government Relations**

Gary R. Alexander, Esq.

Robert J. Garagiola, Esq.

Casper R. Taylor, Jr.

Hannah P. Garagiola

Tyler W. Bennett

Moira R. Moynihan

Davion E. Percy

Isaac N. Meyer

L. Alexandra Shull

Josh D. Howe

**54 State Circle
Annapolis, MD 21401
P410.974.9000
F410.974.9002**

www.alexander-cleaver.com

Alexander & Cleaver, P.A.

Out of Annapolis 2018: Government Relations Report for The Maryland Veterinary Medical Association

Major issues from the 2018 Maryland General Assembly Session

The 2018 Maryland General Assembly session marked the final year of Governor Hogan's first term. All state offices are on the ballot in November, and election year politics were in full force during this legislative session. The first weeks of session were marked by several veto overrides, including Governor Hogan's veto of paid sick leave passed by the General Assembly last year. From there, Republican and Democratic leadership both rolled out ambitious policy agendas that kept Annapolis busy all session. It was another year for historic bill introductions, with 3,101 bills for the General Assembly to consider in 90 short days. The future of school funding and education policies, bi-partisan support for a tax and infrastructure package to lure Amazon to Montgomery County, craft beer brewing, drug pricing, gun violence, gang and crime prevention, voter registration, and renewable energy were among the hot topics considered by the General Assembly this session. On top of their state work, the House and Senate responded to federal actions on tax reform and health care to keep our budget balanced, taxes fair, and health insurance coverage affordable.

Operating Budget

The \$44.5 billion operating budget passed with bipartisan support, no new taxes, support for higher education, modest pay increases for state employees, raises for caregivers, historic spending on school safety, and increases in violence prevention and public safety programs. As always, much of the budget debate was focused on schools; between increases for teacher pay, settling the dispute about local control over school day calendars, capital investments like heating and air conditioning in aging schools, and school security enhancements throughout the state. After weathering nearly a decade of drastic cuts to local governments, highway user revenues were partially restored to counties and municipalities. Legislation was passed to restore nearly \$500 million to local governments over the next five years – a big victory for our local jurisdictions.

Taxes

Federal tax changes threatened to disproportionately impact Maryland, since a large part of our tax code was tied to the federal tax code. There's no way to accurately predict how the federal changes will affect Maryland's 2.7 million taxpayers, but all reports showed a big increase to taxpayers if the state did not step in. Between dueling proposals from Governor Hogan, the Senate Democrats, and the House Democrats, several bills were passed that will begin to address the steep increases from the federal government and take some of the burden off Maryland tax payers. A bill to permit Marylanders to continue to file itemized deductions eliminated at the federal level, passed unanimously. Legislation to increase the standard deduction will provide Marylanders will a small tax break, and an expansion of the Earned Income Tax Credit would give a break to low-income adults without dependents. Despite all of this work, many Marylanders will still face a tax increase and fully addressing federal actions will likely be a multi-year effort.

This session also brought a renewed discussion over lowering Maryland's corporate income tax rate from 8.25% to 6%. The departure of Discovery and the application to Amazon are increasing the pressure to consider Maryland's competitiveness in the region. A second term for Governor Hogan would almost certainly mean a stronger push for a lower corporate tax rate.

Paid Sick Leave

Last year, the General Assembly passed legislation that would require most employers to provide at least five days of paid sick leave. Governor Hogan promptly vetoed the legislation and spent the summer advocating for a more business friendly approach. This session, the General Assembly overturned Hogan's veto, triggering a 30-day timeline for the bill to take effect. The Senate moved to



Thank you for choosing Alexander & Cleaver as your government relations team.

As the dust begins to settle from session, our work during the interim is only just beginning.

Electoral politics, procurement, county budgets, and implementation of recently passed legislation will keep many clients busy for the rest of the year.

Look for outreach on these issues and more from our Government Relations team, and please don't hesitate to contact me anytime at: (410) 974-9000.

*—Robert Garagiola,
President, Government Relations Division*



delay implementation and enforcement to give employers in every sector time to make the changes necessary to comply with the law. The House rejected that proposal, and as of February 11, 2018, paid sick leave is required in Maryland. A&C is happy to provide guidance and clarity to clients with questions about this change.

Minimum Wage

Legislation to increase the minimum wage in Maryland by \$1 per hour until the minimum wage is \$15 per hour in 2023 was heard in both chambers. Similar proposals have been introduced 3 years in a row. Near the end of session, polling that showed strong support for a minimum wage increase in conservative districts was released in an effort to get the bill to move. Now that paid sick leave has been addressed, and some local jurisdictions are considering minimum wage raises, we expect this issue to return with a strong legislative coalition backing the proposal in 2019.

Maryland Response to Federal Action on Health Care Coverage

Congressional efforts to dismantle the Affordable Care Act included the repeal of the individual mandate and several fiscal policy changes. The cumulative effect of these actions has limited the growth of the Affordable Care Act and greatly increased health insurance costs for many. This jeopardized the state's successful Health Benefits Exchange (MHBE) while insurers proposed premium increases between 30% and 50% in Maryland.

In reaction to these threats to our statewide health care system, the General Assembly passed two bi-partisan bills. One bill authorizes the state to request a federal waiver to divert federal funds into an MHBE reinsurance program. The second bill imposes a premium tax on Maryland insurers to generate an additional \$380 million. This tax replaces a similar federal tax exemption and is roughly equivalent to what the insurers would have paid in federal taxes this year. Using that money for a reinsurance fund will lower premiums for everyone in the individual insurance market and fend off a potential crisis created by extreme health insurance premium increases. The goal of both these bills is to ensure more Marylanders have access to affordable health care and to bring skyrocketing premium costs under control. While these fixes will provide immediate relief and received national coverage for their creativity, they are temporary and the General Assembly will be working to find a permanent solution to these problems.

The Work Begins Anew

The 2018 legislative session was a typical session for an election year, including an increase in the amount of bills and many introduced in reaction to national current events. National issues always feel a little more immediate and they get a lot of attention from the electorate. If elected officials know their constituents will be asking about an issue when they're knocking on doors or phone banking, they'll do their best to address it through legislation. Because of the tragedy in Las Vegas with the multiple deaths at the country music festival, there was a bill to ban bump stocks on semiautomatic weapons in Maryland. Because of national Republicans leading efforts to roll back part of the Affordable Care Act, Democratic lawmakers in Maryland responded with their own legislation addressing those roll backs. The Trump tax package negatively impacted Maryland and therefore there was a statewide response to that measure.

As we look to the future, we know for certain that turnover in the legislature will likely rival the turnover we experienced four years ago. Regardless of the outcome in November, you can be sure there will be much to do over the next nine months before the 2019 General Assembly session. The budget, education, tax, health care, environmental and employment issues will always take center stage. Laying the groundwork during the interim gives us the best opportunity to impact state policy in the coming year – make working with us a priority over the summer and into the fall.

Thank you again for the opportunity to work with you on your government relations needs. If you would like more information on any of these issues, or others that were not addressed, please do not hesitate to contact us at (410) 974-9000.

Sine Die Report

Response to the Opioid Epidemic

This session, Alexander & Cleaver (A&C) spent a lot of time monitoring and responding to legislation on behalf of the Maryland Veterinary Medical Association (MVMA), much of it in response to changes to prescribing protocols and the state's Prescription Drug Monitoring Program (PDMP). As Maryland officials continue to address the epidemic, we expect future legislation to be introduced on this matter.

HB 88, Barron/SB 1083, Klausmeier

This bill would have required the PDMP to review prescription monitoring data for indications of possible misuse or abuse of a monitored prescription drug or a possible violation of law or breach of professional standards by a prescriber or dispenser. If either is indicated, PDMP must notify and provide education to the prescriber or dispenser. If a possible violation of law or breach of professional standards is indicated, PDMP must notify the appropriate health occupations board and provide the board with the data necessary for an investigation. A&C worked with bill sponsors on an exemption for veterinarians. *These bills failed to pass.*

HB 115, Morhaim/SB 13 Rosapepe

As amended, this bill would require the Maryland Health Care Commission (MHCC) to convene a stakeholder workgroup to assess the benefits and feasibility of developing an electronic system to allow health care providers to access a patient's prescription medication history. Veterinarians were exempted from the original bill prior to amendment to a workgroup. *Both bills passed and await final approval from Governor Hogan.*

HB 1452, Pena-Melnyk/SB 1223, Klausmeier

This bill would require an authorized provider of controlled dangerous substances (CDS) to demonstrate that they have completed two hours of continuing education to the Maryland Department of Health (MDH) as a qualification for initial or renewal registration to dispense CDS. The required continuing

education must be related to the prescribing or dispensing of CDS. As authorized providers, veterinarians are exempt from this new requirement. *Both bills passed and await final approval from Governor Hogan*

Maryland Veterans Service Animal Program Fund (HB 242, Simonaire/SB 53, Simonaire)

The goal of this legislation was to increase support and awareness for the Maryland Veterans Service Animal Program Fund. The program was created last year and was designed to refer eligible veterans to selected nonprofit organizations to be paired with "service dogs" or "support dogs," and facilitate their training. MVMA strongly supported this legislation and offered testimony for the bill in both chambers. *Both HB 242 and SB 53 passed and await final approval from Governor Hogan.*

Animal Abuse

There were several bills to curtail animal abuse and increase penalties for those convicted of animal cruelty. While there were no bills that directly impacted MVMA this year, we continue to monitor this subject area closely. HB 40 (Frush) would have created an animal abuse registry, required registrants to pay for the registry, and worked with local sheriffs to notify them of convicted abusers in the community. If an individual is convicted of felony dogfighting or felony cockfighting, HB 212 (Moon) would permit the courts to prohibit those individuals from owning or residing with animals for up to the rest of their life. *HB 40 failed to pass, and HB 212 passed and awaits final approval from Governor Hogan.*

Humane Adoption of Companion Animals Used in Research Act of 2018 (HB 732, Kramer/SB 675, Hough)

The bill as amended would require Maryland research facilities (in which dogs or cats are used for scientific purposes) to take reasonable steps to provide for adoption of the animals once they are no longer used for research. For the past several years, MVMA has closely monitored this bill. Under the guidance of the American Veterinary Medical Association (AVMA),

MVMA has chosen to remain neutral on this issue. This year, A&C had several conversations with opponents and proponents, and both sides applied pressure for MVMA to step in. This issue is between animal rights groups advocating for increased reporting requirements from research institutions which use animals in their research. A&C recommended that there wasn't an effective role for MVMA to play on either side. The bill as passed is significantly amended and this may not be the last time the issue arises. We have included the final bill in your report due to the number of discussions MVMA has had about this issue. *SB 675 was amended, passed, and awaits final approval from Governor Hogan.*

Community Healthy Air Act (HB 26, Lewis, R./SB 133 Madaleno)

This bill would have established the Committee on Air Quality, to develop an air quality sampling and monitoring protocol for the collection of air quality and public health data associated with large animal-feeding operations (AFOs). The Committee would have reported on protocol to assess air pollutants and public health risks associated with all large AFOs in the State and use those assessments to evaluate whether all large AFOs in the State comply with applicable federal and State air pollution emissions laws. A&C worked with MVMA to submit testimony and amendment language requesting inclusion of a veterinarian or animal science expert from the University of Maryland. MVMA's amendment was accepted by the House sponsor of the bill. However, the fiscal note on the bill was very large because it required the State to contract out a lot of air quality monitoring work. *Ultimately, the bill received an unfavorable report and failed to pass.*

Task Force to Study the Feasibility of Establishing a Shelter Animal Refuge (HB 980, Miller A./SB 700, Klausmeier)

This legislation would have created a task force to examine how the state could create a shelter animal refuge. The task force would have looked at a variety of factors, including Maryland's animal and adoption figures, rescues, euthanization data, the costs of centralized and regional refuges, and generally how the state could make such an effort feasible. The one item missing from the list and membership was input from veterinary providers. A&C offered testimony and worked with the bill sponsors in both chambers to include a veterinarian on this task force. Our amendment on behalf

of MVMA was accepted. *Unfortunately, these bills failed to pass.*

Occupational Licenses or Certificates – Application Determinations – Use of Criminal History (HB 1597, Sydnor)

As originally passed by the House, HB 1597 would have prohibited state occupational licensing boards from denying licenses to individuals convicted of crimes that are 10 or more years old. This bill would have required the State Board of Veterinary Medical Examiners (SBVME) to award a license to someone convicted of animal cruelty no matter how egregious the crime was, if it was 10 years ago. The Board very much wanted to maintain its discretion in awarding this professional license, and MVMA strongly supported the SBVME's position to ensure that the veterinary profession maintains its credibility and integrity.

A&C testified on MVMA's behalf with the Department of Agriculture, requesting that the bill contain a special exemption for the SBVME to refuse any applicant who has ever been convicted of animal abuse, animal cruelty, or animal neglect.

Over a week of negotiations with the Senate Education, Health and Environmental Affairs Committee, A&C was successfully able to amend the bill to simply require the state agencies listed in the bill to report to the legislature on their current licensing practices, how they are doing criminal conviction checks, what their look back period is, how many licenses they've denied or revoked and for what reasons. In this new posture, the goal of the bill was to help the legislature understand whether prior convictions are a detriment to state licensure in a variety of occupations, and then if so, the State would be properly informed to act on the problem in the future. *HB 1597 was amended, passed both chambers, and awaits final approval from Governor Hogan.*

2018 Elections

Federal, State, County, and Central Committee Candidates are all up for election.

Primary Election

June 26, 2018
June 14 - June 21 (early voting)

General Election

November 6, 2018
Oct. 25 - Nov. 1 (early voting)

2018 Conference Schedule

Maryland Municipal League Summer Conference
6/10- 6/13, Ocean City

Mid-Atlantic Conference of Regulatory Utilities Commissioners
6/24-27, Hershey, PA

National Conference of State Legislatures Annual Meeting,
7/30-8/2, Los Angeles

Council of State Governments Eastern Regional Conference
8/5-8/8, Rye Brook, NY

Maryland Association of Counties Summer Conference,
8/15-8/18 Ocean City

Call Moira for details!
410-974-9000

Alexander & Cleaver Means Business

Bill Signings

The Governor has 30 days to sign, veto, or let legislation passed this year become law. There are typically 2-3 days of bill signings during May. Bill signings are a great way to celebrate your accomplishments during session. The schedule for the signings is set as the bills are reviewed, and often without a lot of advance notice. We always let clients know as soon as the dates and lists of bills to be signed are released, but expect a quick turnaround!

Interim Work

The Maryland General Assembly adjourned on April 9, 2018, but the Alexander & Cleaver Team is still busy advocating on behalf of our clients. With offices in Annapolis, Rockville, Cumberland, LaPlata and Ft. Washington, we spend our time before various county, municipal governments and Baltimore City. We are actively engaged on issues before the DC city government as well, including issues related to procurement and local legislation. The A&C team is also very busy in the State of Delaware for the second year in a row.

On behalf of many clients, the team at Alexander & Cleaver is engaged in non-legislative work involving marketing, procurement, corporate image building and networking.

Policy Maker Events

Throughout the year Alexander & Cleaver holds frequent policy maker events for our clients. Our guest speakers include federal, state and local elected and appointed officials. Each event is an opportunity to meet with our leaders and discuss the issues that affect your business or organization.

Signature Events

- Opening Day Reception
- Sine Die Reception
- MML Conference Reception in Ocean City
- MACo Conference Reception in Ocean City
- Legislative Policy Breakfast

2017 Policy Maker Speakers:

House Majority Leader **Bill Frick**
Senate Majority Leader **Doug Peters**
House Minority Leader **Nick Kipke**
Baltimore City Mayor **Catherine Pugh**
Frederick County Executive **Jan Gardner**
Howard County Executive **Allan Kittleman**

A&C's Annual Policy Breakfast-Senate President **Mike Miller**, House Speaker **Mike Busch**, and Chief Legislator **Officer to the Governor Chris Shank**

A&C Regional Government Relations

We represent clients across the region, including the State of Maryland, Washington, DC City Government, the State of Delaware, the federal government, and many of Maryland's counties and municipalities.

A&C Government Relations team members are also present at virtually every convening of state legislators over the summer, including NCSL, CSG West, Midwest, East, and a number of policy-specific conferences too. These events are short but there is opportunity to make an incredible impact.

We coordinate keynote speeches, panels, site visits, conference resolutions and policy recommendations, and receptions on behalf of our clients at these conferences. Talk to us about your summer plans, and we'll tell you how we can help.
