

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1473
Economic Matters

(The Speaker)

Finance

Economic Development - Maryland's Future Board - Establishment

This bill establishes the Maryland's Future Board, within the Department of Commerce, to develop a visionary plan (as defined by the bill), annually evaluate it and make revisions as appropriate, and annually recommend projects that ensure the economic strength of the State. The bill also establishes the Maryland's Future Fund (MFF), a new special fund administered by Commerce to fund the projects recommended by the board. Commerce is authorized to adopt regulations necessary to carry out the bill. **The bill takes effect July 1, 2026, and terminates June 30, 2031.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.5 million in FY 2027 as the bill effectuates a contingent appropriation in the budget passed by the General Assembly, with a significant portion of this funding held in reserve in MFF for later use. As discussed below, additional general funding is needed each year through FY 2031 to (1) support the board, develop the visionary plan, and annually evaluate it and (2) beginning in FY 2029, further capitalize MFF and then execute recommended projects. MFF revenues and expenditures increase correspondingly, although spending on recommended projects may be phased over multiple years. The amount cannot be reliably quantified, but the possible scope of such projects could necessitate funding of at least several million dollars annually. Additional contingent funding in the FY 2027 budget is assumed to revert in full to the general fund; thus, it is not accounted for as spending in this analysis.

Local Effect: Although not directly affected by the bill, local governments may benefit from the visionary plan and funded projects.

Small Business Effect: Minimal, as discussed below.

Analysis

Bill Summary:

Defined Terms

“Project” includes (1) an allocation of funds in the operating budget of the State; (2) an allocation of funds in the capital budget of the State; and (3) the implementation of any policy that will advance the State’s socioeconomic wellbeing and resiliency.

“Visionary plan” means a plan that envisions a State that is equitable, prosperous, livable, and provides opportunities for all residents to thrive, including (1) a forward-thinking strategy that would incorporate core values and principles as envisioned by the board; (2) a strategy that covers – broadly – issues that the State faces; (3) a strategy that is not constrained by existing technology, infrastructure, or fiscal conditions of the State; and (4) strategies that imagine future trends in the areas of robotics and automation, artificial intelligence, advanced manufacturing, data aggregations, and other industry disruptive technologies.

Maryland’s Future Board

The board comprises seven members from various sectors, including business, academia, and labor, appointed by the Governor, the President of the Senate, and the Speaker of the House. Membership must reflect the demographics of the State, and consideration must be given to geographic representation. Members serve for a term of four years, beginning July 1. A vacancy must be filled immediately for the remainder of the unexpired portion of a term. At the end of a term, a member continues to serve until a successor has been appointed. The board must meet at least four times per year.

By January 1, 2027, the board must develop a visionary plan for the future of the State. The board must carry out the requirements of the bill by (1) developing and revising a visionary plan; (2) recommending projects that move the State forward and contribute to ensuring the economic strength of the State into the future, in alignment with the visionary plan; and (3) consulting with entities and State agencies, as necessary. The board must evaluate the visionary plan at least annually and revise it accordingly. Within 30 days after the completion of or a revision to the plan, the board must submit the plan to the Governor and the General Assembly. By August 1, 2027, and each year thereafter, the board must submit recommendations for projects to the Governor and the General Assembly.

Board members may not receive compensation but are entitled to reimbursement for expenses, as specified. The board is subject to the Public Information Act and the Open Meetings Act, and board members are subject to the Public Ethics Law.

Maryland's Future Fund

MFF is a special, nonlapsing, fund administered by Commerce. The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund. Expenditures from the fund may be made only in accordance with the State budget and may only be used to fund projects recommended by the board. Money expended from the fund is supplemental to funding that would otherwise be appropriated for the same purpose.

Current Law: Commerce's mission, generally, is to strengthen the Maryland economy. The department develops and implements programs that aim to generate new jobs or retain existing jobs, attract business investment in new or expanding companies, and promote the State's strategic assets. Business assistance is provided through a combination of investments, loans, conditional loans, grants, and tax credits.

State Fiscal Effect: The fiscal 2027 budget as passed by the General Assembly includes two general fund appropriations, both contingent on the enactment of the bill or its cross file. While the bill effectuates a \$200,000 general fund appropriation for the Comptroller to study economic growth trends, such a study is not required by the bill. Accordingly, this analysis assumes that the entire \$200,000 reverts to the general fund at year end, as required in the language of that contingent appropriation, since it is assumed the monies are not used for their restricted purpose.

The bill also effectuates a \$1.5 million general fund appropriation for Commerce for the *purpose* of MFF. As MFF – the fund itself – may only be used for projects recommended by the board, all costs associated with the board itself and developing and revising the visionary plan must be covered with general funds. This analysis assumes the language in the budget bill is broad enough to allow the general fund appropriation to be used for developing the visionary plan under which projects will subsequently be recommended to be funded by MFF – *i.e.*, the purpose of MFF. Accordingly, administrative costs incurred in fiscal 2027 are covered with the appropriation, and any funding not expended or encumbered for administrative and related consultant costs is deposited into MFF at year end and held in reserve there to later help fund recommended projects (consistent with the requirement that any funds not expended must revert to MFF). However, additional general funds are needed each year to cover ongoing administrative and any remaining consultant costs and, likely beginning in fiscal 2029, to further capitalize MFF.

Staffing for the Board and Development of the Plan

As the bill requires that the visionary plan be developed and submitted by January 1, 2027, this analysis assumes that appointments to the board are made expeditiously and the board receives substantial support, particularly in the first two years of operation – when the plan

must be developed initially, recommendations for projects must be made, and the first evaluation of the plan must be conducted. Accordingly, a contractual program manager is needed on July 1, 2026, concurrent with the bill’s effective date. As noted above, this staffing cannot be funded with MFF; thus, *at least* \$143,522 of the initial contingent funding is used for this purpose. This estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$133,687
Operating Expenses	<u>9,835</u>
Minimum FY 2027 Administrative Expenditures	\$143,522

Future year general fund expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses until the contractual position terminates June 30, 2031, concurrent with the termination of the bill. By year three or four, the contractual staffing may be able to be moderated to a part-time position.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

This estimate also does not include additional likely expenses incurred by Commerce – such as a consultant who may be needed to assist with developing the plan and subsequently evaluating it – which the department advises could cost \$1.0 million over the course of five years. At least a portion of such consultant costs could be funded with the contingent appropriation in fiscal 2027. Expense reimbursements for the seven board members are assumed to be absorbable within Commerce’s existing budgeted resources.

Further Capitalization of Maryland’s Future Fund and Funding of Projects

Any initial funding not used for the staffing or consultant costs, as noted above, is deposited into MFF at year end. Accordingly, special fund revenues increase in fiscal 2027, by as much as \$1.36 million. Those monies cannot be expended until a later year, after projects have been recommended.

General fund expenditures are assumed to be necessary to further capitalize MFF beginning in fiscal 2029. as the first projects to be funded are to be recommended by August 1, 2027, which generally means they can first be funded with an appropriation during the 2028 legislative session in the fiscal 2029 budget. (Under the bill, money expended from MFF must be made *in accordance with the State budget* and is *supplemental* to funding

that would otherwise be appropriated for the same purpose.) Since MFF terminates at the end of fiscal 2031, such funding is assumed to be needed for only three years.

The amount of funding necessary each year depends on the projects that are recommended, which cannot be determined at this time. Nevertheless, this analysis assumes that additional funding is provided, through MFF, to implement the strategies under the visionary plan through recommended projects. Accordingly, general fund expenditures increase to capitalize MFF, and MFF revenues and expenditures increase from fiscal 2029 through 2031. To the extent recommended projects are funded through the capital budget with general obligation bonds, other projects may be delayed or funded at lower levels. Also, funding may continue in the out-years for projects initiated due to the bill even though the board and MFF terminate at the end of fiscal 2031.

Small Business Effect: Although not directly affected by the bill, small businesses may benefit from the visionary plan and the funding of any recommended projects.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 770 (Senators Ferguson and James) - Finance.

Information Source(s): Department of Commerce; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2026
caw/ljm Third Reader - March 19, 2026
Revised - Budget Information - April 6, 2026

Analysis by: Beatrice F. Amoateng

Direct Inquiries to:
(410) 946-5510
(301) 970-5510