



**MARYLAND**  
Chamber of Commerce

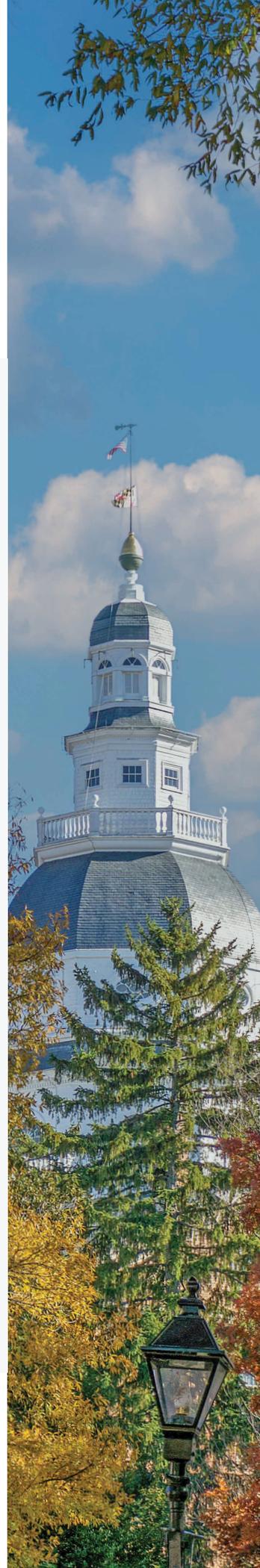
2024

# Legislative Priorities & Anticipated Critical Issues in Maryland

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## A letter from our President & CEO



As we embark on the 2024 legislative journey, the Maryland Chamber of Commerce stands poised to collaborate with the state's newly elected officials, as we have done faithfully for years, in the pursuit of meaningful changes that will positively impact our local business communities. Every legislative session is a new occasion to educate our lawmakers, share the success stories of Maryland's job creators, and underscore the significance of these efforts, a task that becomes all the more critical with the economic and budgetary challenges Maryland currently faces.

Through the cooperative efforts of our dedicated members, we have crafted this year's legislative priorities and critical issues, which will serve as the guiding framework for our advocacy work in the upcoming year. It is our shared vision to work together to address the challenges that employers face in our state, creating a better environment in which to live and work.

As a member-driven advocacy organization, our priorities and critical issues are the product of careful deliberation within our issue-specific policy committees. These committees convene annually to propose and vote on priorities that align with our mission and values. The recommendations from these committees are thoughtfully reviewed by our Legislative Committee to ensure they align with our core mission to "advance inclusive partnerships for a Maryland where all businesses and their communities thrive."

We invite you to be an active participant in this process by becoming a member and joining one of our policy committees. Your involvement is invaluable in helping us understand the unique challenges faced by you, your company, and your industry, and it empowers us to advocate more effectively on your behalf. Your contributions to our advocacy hold significant weight, particularly as the Maryland General Assembly deliberates major policy proposals. Our members' advocacy efforts play a pivotal role in ensuring that state legislators take into account the economic ramifications of these policy decisions.

Maryland's elected leaders have a genuine opportunity to drive substantive change in the forthcoming legislative session. Policy issues related to our state's business climate, the well-being of our military veterans, workforce requirements, transportation, and data privacy are of paramount importance, not just for today, but for the future of Maryland. The Maryland Chamber of Commerce remains steadfast in its commitment to advocate for these issues, striving for a brighter, more prosperous future for our state and its residents.

Mary D. Kane  
President & CEO



## 2024 Legislative Priorities

### 1 Business Taxes

As Maryland's FY 2024 budget remains uncertain alongside expectations of budget deficits in the coming years, the Maryland Chamber supports responsible government spending alongside targeted cuts to maintain key government programs while avoiding new cost burdens on businesses. We urge Governor Moore and the General Assembly to develop well-balanced fiscal strategies that promote economic stability and foster job creation without disproportionately impacting Maryland's business community. Policy makers must consider the trade-off between generating new revenue and maintaining and enhancing Maryland's economic competitiveness.

### 2 Transportation Funding Solutions

As Maryland continues to incentivize electric vehicle adoption, it is imperative the General Assembly take steps to address the sustainability of the Transportation Trust Fund (TTF) and its reliance on the gas-tax as a key funding source. The TTF is Maryland's primary source of funding for infrastructure and transportation needs. Enhanced and sustainable funding solutions are necessary for Maryland's economy and the safe and efficient movement of people and goods. As such, the Maryland Chamber will use our voice on the Maryland Commission on Transportation Revenue and Infrastructure Needs to advocate for equitable transportation funding solutions and a first-class transportation network.

### 3 Data Privacy

The General Assembly has consistently considered data privacy legislation for several years. The Maryland Chamber supports a comprehensive approach to data privacy, enforced by Maryland's Attorney General, keeping in mind policies already adopted by neighboring states. Avoiding a patchwork of laws provides a clear set of rules for businesses, no matter their location.

### 4 Military Retirement Relief

Recognizing the many benefits veterans bring to their communities, Maryland's neighboring states have made it a priority to recruit and retain military retirees. As a result, Maryland continues to suffer brain drain as military retirees take their talents and experiences elsewhere. With a high concentration of cybersecurity, intelligence and defense related jobs alongside major workforce challenges, it is time Maryland's elected leaders get serious about veteran retention. The Maryland Chamber supports the elimination of the state income tax on uniformed services retirement pay. The elimination of the state income tax on military retirement pay will make Maryland competitive in retaining veterans and their families while solving a major workforce challenge.



## 2024 Legislative Priorities (cont.)

### 5 Increasing Child Care Availability

The Maryland Chamber has supported legislation and budget initiatives in the past several sessions aimed at incentivizing the opening of new childcare facilities, as well as the expansion of existing ones. The cost and availability of childcare remains a contributing factor to Marylanders' decisions to return to the workforce. Addressing Maryland's workforce shortage must be a priority issue for the Governor and the General Assembly. In fact, according to data from the U.S. Chamber of Commerce, Maryland only has 40 workers for every 100 jobs in the state, ranking the state in the third most severe worker shortage index in the country. As such, we will continue to support legislative and budget initiatives in the 2024 session to expand and support childcare facilities, allowing Marylanders to get back to work and address this critical piece of the workforce shortage.

## Diversity, Equity & Inclusion

At the Maryland Chamber of Commerce, our mission is to advance inclusive partnerships for a Maryland where all businesses and their communities thrive. We believe no matter the industry, that diversity, equity and inclusion are business imperatives. Greater diversity benefits Maryland's economy, businesses, employees and their communities.

To engage more fully in the complex challenges surrounding equity, we are prepared to listen, learn and take proactive steps toward meaningful change in the workplace and in our communities. We will continue to facilitate conversations among business and innovation leaders in the DEI space so that together we can make Maryland more inclusive for all.

### BECOME A MEMBER

As an advocate with the Chamber, you join a 6,800+ member-strong grassroots collective of business thought leaders and a full-time, dedicated government affairs team with strong relationships in Annapolis and on Capitol Hill. Through our 11 policy committees, you can have an active role in influencing the public policy that affects your business. Learn more at [mdchamber.org/join](https://mdchamber.org/join).

### JOIN OUR ADVOCACY NETWORK

Join our Action Network to weigh in on critical legislation. Subscribe at [mdchamber.org/action-alerts](https://mdchamber.org/action-alerts).

### SUPPORT THE PAC

Support the Chamber's advocacy efforts through political giving. Start at [mdchamber.org/PAC](https://mdchamber.org/PAC).



## Business Regulations & Operations

We address regulatory issues affecting daily operational activities and support legislation that allows market force principles to work in the state's economy.

### ANTICIPATED CRITICAL ISSUES:

**Regulatory Reform:** Regulatory reform remains an important component to attracting and retaining businesses. It is critically important that the administration continue to remove red tape and job-killing regulations.

**Procurement Reform:** Comprehensive procurement reform is necessary to address a system that is notoriously cumbersome and often leads to a lack of competition among service providers. To provide consistency and uniformity in the procurement process across all levels of government, we support state procurement mirroring federal procurement laws when possible.

**Antitrust:** We oppose changes to state antitrust laws and regulations, such as new pre-merger notification requirements and changes to pro-competitive mergers and acquisitions, that would place Maryland businesses at a competitive disadvantage to those in other states.



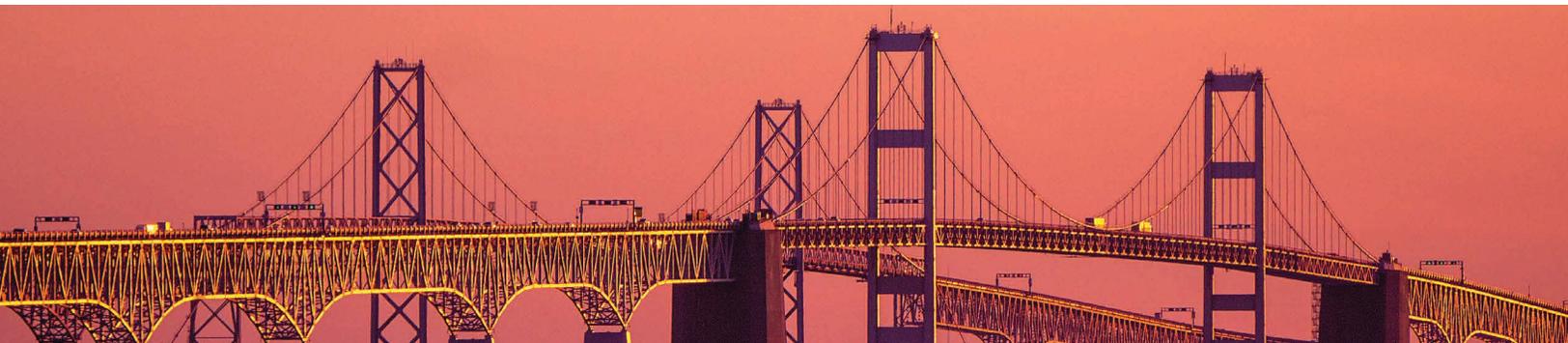
## Civil Liability

We believe the civil law system should not punish lawful commerce. Issues related to tort reform and civil liability are of interest, including opposing efforts to expand exposure to liability and damages that weaken businesses' defenses.

### ANTICIPATED CRITICAL ISSUES:

**Non-Economic Damages:** The Chamber opposes any erosion or repeal of caps on non-economic damages that would likely produce consequences for liability insurance premiums or liability exposure for businesses.

**Punitive Damages:** The Chamber opposes any change to Maryland's current standard for the award of punitive damages, especially a change that could increase the cost of doing business in the state.





## Cyber & Technology

The fields of cyber and technology are important and growing sectors of Maryland's economy. We support the development of policies that encourage and facilitate entrepreneurship and innovation.

### ANTICIPATED CRITICAL ISSUES:

**Broadband Expansion and Connectivity:** We support policies that encourage and remove barriers to the continued deployment of broadband technology, including 5G, throughout the state. We also support policies that ensure any expansion process is transparent and competitive to ensure equitable access to all parties.

**Data Privacy:** We support efforts to protect children's privacy and to pass a comprehensive data privacy law, enforced by the State's Attorney General Office, that provides a clear set of rules for all businesses, no matter where they are located. Privacy policy should protect while at the same time avoid causing confusion and inconsistencies for businesses and generating a false sense of security for consumers.

**Net Neutrality:** We closely monitor any policy that would reinstate rolled-back federal regulations on the internet that creates challenges and inconsistencies for businesses that work across state lines.

**Artificial Intelligence:** Policymakers and business leaders must work together to develop a balanced and flexible regulatory framework that allows companies the freedom to utilize AI in a positive and ethical manner. It is vital to foster innovation while safeguarding privacy and fair competition.



## Education & Workforce Development

We support an educational and vocational ecosystem focused on developing, retaining, and attracting a more globally competitive workforce. We believe in strategies that seamlessly link education and workforce development and embed skills-based learning into academic instruction.

### ANTICIPATED CRITICAL ISSUES:

**Apprenticeship and Intern Tax Credits and Reform:** Expand the pool of apprenticeship and career technical education opportunities for the next generation of workers, while also simplifying the process to apply for a credit. We also support the recruitment and retention of skilled trades to meet current and future workforce demands for transportation and infrastructure upgrades.

**Apprenticeship Statutory Definition:** Expand the definition of a qualifying apprenticeship to capture a greater segment of the work training population and increase the number of employers who can access apprenticeship related incentive programs. We also support increasing the ratio of apprentices per regularly employed journeyman in non-building trades, which is currently one journeyman to one apprentice.

**Second Chance Employment:** Expand educational attainment for current and formerly incarcerated Marylanders and individuals in the addiction recovery community, while protecting employers from liability associated with hiring.



## Energy & Environment

We support community and business endeavors that sustain, enhance, protect and conserve Maryland's natural resources for present and future generations. At the same time, we work to maintain the balance between economic need and environmental concern.

### ANTICIPATED CRITICAL ISSUES:

#### *Climate Change and Greenhouse Gas Emissions:*

- We closely monitor initiatives regarding renewable energy portfolio standards, clean energy goals, and transportation sector requirements. We support the development of clean and renewable energy sources and transportation initiatives by urging the use of market-based mechanisms and incentives and pushing for reasonable implementation timetables. These key components limit the impact on the state's economy and ensure the protection of the manufacturing and transportation sector.
- Transitioning to electrification, especially with aggressive timelines, leads to increased cost burdens to ratepayers and businesses and strains the grid's ability to handle increased demand. With a budget deficit forecasted in the coming years, we urge fiscal responsibility and prioritization of cost-effective solutions and measures that do not place a large cost burden on the state.
- Finally, we support a diversified, equitable and inclusive energy portfolio, which enhances energy security, reduces dependence on a single source and ensures a reliable energy supply for all.

**Chemical Regulation:** We support a science based regulatory structure that recognizes and considers the many unique properties and applications which exist within a single class of substances.

**Recycling:** We support market and science-based solutions for recycling that benefit the environment while balancing the needs of manufacturers, businesses and individuals.

**Permitting Reform:** We support the streamlining and modernization of permitting processes to identify and eliminate unnecessary obstacles and timelines. An efficient and effective permitting process reduces the cost of doing business and attracts investment.





## Health Care & Biopharma

We believe in meaningful health care reform that allows employers to best meet the needs of their employees. We oppose mandated health benefit demands, as well as regulatory oversight and requirements. We also address issues in legislative interaction in the pharmacological discovery and development processes.

### ANTICIPATED CRITICAL ISSUES:

**Pharmaceutical Pricing and Availability:** We are sensitive to the concerns regarding cost and availability of prescription drugs and are supportive of developing comprehensive, long-term solutions to help slow the ever-increasing costs of health care in Maryland and to promote public policies that will help improve the overall health and well-being of Maryland's citizens and our employees. Maintaining a viable health insurance market with affordable and accessible pharmaceuticals is essential to making Maryland a competitive place to do business.

**Drug Dispensing Fees:** We oppose the adoption of state mandated pharmaceutical dispensing fees on private employer drug benefit plans. These fees enhance neither the quality nor availability of health care services in Maryland, but instead drive up the cost of health care for both Maryland's employers and employees.

**Employee Development:** We support workforce development initiatives that help produce qualified employees for Maryland's ever increasing health care demands. A well-trained health care workforce is critical to ensuring the health and well-being of patients.





## Labor & Employment

We seek to maintain a balance in the relationship between employees and employers within the state and work to ensure policies are created that promote fairness and reduce excessive mandates.

### ANTICIPATED CRITICAL ISSUES:

**Pre-Emption:** We support legislative language allowing for a single law for the state instead of a patchwork among hundreds of jurisdictions.

**Paid Family Leave Benefits:** During the 2022 legislative session the Maryland General Assembly passed a paid family leave program inconsistent with many of the best practices and definitions used in other states. During the 2023 session, modifications to definitions and the implementation timeline were made to the legislation. We continue to support legislation bringing Maryland's FAMILI program in-line with the federal FMLA, bringing us closer to a program that works for both employers and employees. More public outreach and education is necessary to ensure employers and employees are prepared and equipped for the state of the program.

**Cannabis – Adult-Use Legalization:** During the 2023 legislative session, the adult-use legalization bill was passed and enacted, which went into effect July 1, 2023. We support an employer's right to maintain their existing testing and workplace policies and oppose any bans on testing or taking employment action as a consequence of test results. The Maryland General Assembly and the state must continue to consider the impacts on employers and Maryland's workforce while implementing and regulating this policy.

**Fair Employment Practices:** We believe the definition of discrimination on the basis of "sex" under Maryland's Fair Employment Practices Act and the Equal Pay Act should be legislatively interpreted in a manner that is consistent with federal law, which includes "gender identity" and "sexual orientation" within the meaning of "sex" discrimination. This would close a gap in Maryland law that allows discrimination in pay on the basis of sexual orientation.





## Taxation

We support tax policy reform that reduces the cost of doing business. It is our goal to strengthen the state's competitive tax climate to help attract and retain businesses, talent and investment.

### ANTICIPATED CRITICAL ISSUES:

**Business Tax Environment, Combined Reporting and Throwback Rule:** We oppose the adoption of tax reapportionment schemes such as the “throwback rule”, mandatory unitary combined reporting, or any other system which creates an economic disadvantage for Maryland businesses. Combined reporting is especially problematic in uncertain and poor economic climates and will result in lower revenue for the state.

**Expanding the Sales Tax on Services:** We oppose any effort to expand the sales tax on services not currently listed in Maryland law.

**Evaluation of Maryland's De-coupling Provisions:** We support a thorough evaluation of Maryland's current de-coupling law related to the federal tax structure and the advantages and disadvantages that exist.

**Remote Work:** The General Assembly should address the outstanding challenges with nexus and apportionment rules relating to remote work, and also issue general rules instead of the current temporary guidance.

**Alternatives to Raising Taxes:** We encourage the General Assembly to evaluate all other alternatives to raising taxes on businesses as a source of revenue in an ever-changing economic environment. Any attempt to increase revenues must be matched with responsible cuts in state spending and other policies that spur economic activity and create jobs to expand the state's tax base.





## Transportation & Infrastructure

We believe improved state infrastructure boosts economic opportunity. We work to advance short- and long-term answers to statewide transportation and transit needs. We support sustainably funded solutions that safely and reliably transport people and goods.

### ANTICIPATED CRITICAL ISSUES:

**5G, Small Cell and Broadband Expansion:** We support the expansion of technology infrastructure such as 5G, small cell and broadband to address the need for increased connectivity across all Maryland communities. Further, we support market incentives that may aid in faster deployment to more quickly address Maryland's digital divide.

**Transportation and Infrastructure Funding:** We support policies that prioritize the state's investment in critical infrastructure projects, aiming to enhance the safe and efficient movement of people and goods. This includes addressing the state's structural deficit, addressing the transportation needs of underserved communities, and conducting a comprehensive review to identify sustainable, long-term funding sources. We will use our voice on the recently established Maryland Commission on Transportation Revenue and Infrastructure Needs to advocate for an equitable funding solution.

**Vehicle Emission Reductions:** Any policies aimed at meeting greenhouse gas reduction goals should take into account all the costs, both direct and indirect, associated with implementation. Further, policy decisions tied to other state standards should consider the inherent differences between states and populations.



## Workers Compensation & Unemployment Insurance

We work to achieve a fair balance between the employer and employee in workers' compensation claims. Similarly, we work toward policies to provide fair unemployment insurance benefits to workers without creating an undue burden on job creators.

### ANTICIPATED CRITICAL ISSUES:

**Solvency of the Maryland Unemployment Trust Fund:** Every effort should be made by the state to ensure a healthy balance of the unemployment insurance trust fund. Any new funding proposals should consider the current economic landscape and cost implications for Maryland businesses.

**Unemployment System Reform:** The business community supports an unemployment insurance system that balances the interests of both employees and employers and provides employers with clarity and transparency of the program's operations and financial impact. Every effort should be made to evaluate potential changes against the programs of neighboring states so that Maryland businesses are not shouldered with excess burden compared to those in surrounding jurisdictions.