

LEGISLATIVE AGENDA

2024



INTRODUCTION

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The Howard County Chamber of Commerce (Chamber) is the leading advocate for the employment community in Howard County, MD.

Through our legislative efforts, the Chamber looks to support legislation that assists economic development, private investment, and job creation.

The Chamber believes that legislation should be balanced between the needs of citizens and that of employers both large and small, profit and non. Further, the state continues to be faced with economic competitive challenges that must be addressed. Maryland's personal income tax and corporate tax rates outpace neighboring states. Our cost of living is the 5th highest in the US and we are faced with housing affordability challenges. Consequently, Maryland employers pay more to employ an individual at the same wage than other states because of the higher fees, regulations, and taxes. After years of significant surplus brought about by pandemic relief, the state is now entering belt tightening mode. Suffice it to say, the issues highlighted are more critical than ever as the state grapples with forecasted budget challenges.

The ensuing topics are not meant to be exhaustive, but rather, the issues for Legislative Action reflect key policy matters of interest, both locally and statewide, to the Chamber and members of the business community.

The following topics are of particular importance during the upcoming General Assembly session:

Labor & Employment

Business Regulations & Operations

Education & Workforce Development

Environment & Land Use

Transportation

Cybersecurity & Data Privacy



LABOR & EMPLOYMENT

Business owners are being subjected to additional, complex workplace regulations that increase the cost of doing business, including significant penalties and legal fees for non-compliance. Each General Assembly session seems to include legislation that places additional burdens on employers that lead to increased employment costs. Implementing requirements related to paid sick leave, minimum wage escalation, and other legislation have caused numerous administrative hardships for employers. In efforts to keep labor and employment related costs at a manageable level, the Chamber will support legislation that:

- Promotes workplace policies that will enhance, not inhibit, economic growth and job creation;
- Is **cost effective to administer**, and **financially feasible** for small and growing business;
- **Provides resources that educate employers** about pertinent state labor and employment laws and regulations that affect business.

- Maryland currently has a patchwork of laws as it relates to labor. Thus, we support preemptive legislative language that would allowing for a single law for statewide labor and employment laws;
- Family and Medical Leave Insurance (FAMLI) In 2022, the Time to Care Act (TTCA) marked a significant step forward by providing paid leave benefits for employees facing extended medical leaves, distinct from the existing Safe and Sick Leave policy. However, the legislation left numerous questions unanswered, creating compliance challenges. The Chamber advocates for legislation that not only offers clarity and resources to assist employers but also aligns Maryland's FAMLI program, which underwent crucial revisions during the 2023 legislative session, with federal FMLA standards. This comprehensive approach aims to create a program that meets the needs of both employers and employees, emphasizing the importance of increased public outreach and education to ensure readiness for the program's implementation.
- Adult-Use Cannabis Legalization The passage and enactment of the Adult-use Cannabis legalization bill in 2023, effective from July 1, 2023, have brought about various labor and employment-related challenges for businesses. We firmly support an employer's



LABOR & EMPLOYMENT

prerogative to maintain their existing testing and workplace policies and stand against any prohibition on testing or the adverse consequences of test results in the workplace. We support amendments and clarifying guidance from the Maryland General Assembly with the implementation and regulation of this policy, it is essential for them to continue assessing its impact on both employers and the state's workforce.

• Fair Employment Practices we support bringing Maryland's Fair Employment Practices Act and the Equal Pay Act in line with federal law. We support a legislative interpretation that aligns with federal standards, including "gender identity" and "sexual orientation" within the definition of "sex" discrimination. This adjustment aims to address a current gap in Maryland law, focusing on the elimination of pay disparities based on sexual orientation.

Local Priorities

• Support labor, employment and workforce development policies that are competitive with neighboring jurisdictions and consistent with state laws thereby easing the burden of implementation and adherence for employers.









BUSINESS REGULATIONS & OPERATIONS

While Maryland has enumerable assets that many states envy, it has struggled with its business reputation in recent years. Questions have consistently been raised concerning the tax and regulatory climate. As such, the Chamber supports ongoing examination of the current tax base, tax rates and compliance requirements to ensure the Maryland business environment is fair and competitive to current businesses and for those businesses considering relocation.

This includes:

- Legislation that removes burdensome and costly regulations and
- Legislation that advances tax policy reform, thereby enhancing the state's business climate. Possible reform includes, but is not limited to, legislation concerning single sales factor for all employers, reduction of the corporate income tax, tax relief for pass-through entities, and the defeat of combined reporting.

- After years of operating with a historic budget reserve, the state now finds itself facing budget deficits beginning with fiscal year 2025. The budget outlook for fiscal year 2028 is concerning because of education commitments, declining fuel taxes among other things. With this in mind, the Chamber monitors policies that call for new taxes and fees that further place state and its employer community at an economic competitive disadvantage when compared to neighboring states;
- Reform of how Maryland small businesses and pass-through entities are treated under the state's personal income tax policies;
- **Filing Fees and Combined Reporting** affects corporate income tax reporting for retail sales and food services corporations, creating disadvantages for small businesses in the state;
- Legislation that provides **economic analyses on proposed and drafted regulations** decreed by state agencies so that it is understood the economic impact of these regulations on small business;



BUSINESS REGULATIONS & OPERATIONS

- Education reform has been a major topic for several general assembly sessions. While
 workforce development is paramount, overburdening employers with new taxes should
 be avoided. Of particular interest is the effort to expand the sales tax on services not
 currently listed in Maryland law;
- Over the past 18 months, remote work has become common for many employers, yet
 only temporary guidance has been issued as it relates to nexus and apportionment
 rules. Permanent rules and guidance would assist business in future decision making and
 budgeting.
- By accessing government contracts, many small businesses can grow profits and expand their private enterprises. While many achieve success, countless others experience a cumbersome process that minimizes competition. As such, comprehensive procurement reform is needed so that small businesses might have a more favorable processes leading to greater opportunity.

Local Priorities

 Support and encourage the adoption and passage of economic development policies and incentive packages that serve as an economic development stimulus for Howard County.









EDUCATION & WORKFORCE DEVELOPMENT

A sound and well-funded education system inclusive of public libraries is paramount to business competitiveness, thriving communities, and an enhanced quality of life. Institutions of higher learning such as technical colleges, community colleges, and traditional four-year schools must receive adequate support for operating and capital budgets so they can prepare our current and future workforce. We believe in strategies that actively seek out individuals in need of family sustaining career opportunities, provide training and wraparound services to eliminate barriers, and connect individuals with viable job opportunities. We view workforce development as an economic imperative for the state. The Chamber supports legislation that:

- **Funds Howard County education institutions** in a manner that allows them to adequately improve facilities and infrastructure, serve students of all backgrounds and demographics, and the community at large.
- Fund institutions of higher learning, thereby allowing them to educate and train students for high-demand careers; this would include expanding apprenticeships with a pathway from non-credit to credit offerings. Students would then graduate with an AA degree in addition to their apprenticeship experiences.

- **Childcare** issues have been mounting annually, yet it was not until the pandemic that we were able to see how dire the issue is. Thus, legislation should be passed to incentivize the opening of new childcare facilities and the expansion of existing ones;
- **Apprenticeship and Intern Tax Credits** must be expanded for the next generation of workers all the while creating a process whereby credits accessibility is simplified;
- **Apprenticeship Statutory Definition** is expanded capture a greater segment of the work training population and increase the number of employers which can access the related incentive programs; and
- Creates a pathway for the transferability (in total) of associate degree credits earned at Maryland based technical colleges toward baccalaureate degrees offered at Maryland state colleges.



EDUCATION & WORKFORCE DEVELOPMENT

Local Priorities

- To ensure Howard County is successful in meeting the requirements of the **Blueprint for Education**, the Chamber supports the **Board of Education's efforts to make legislative fixes** to ensure **Howard County Public School System has the funding needed**;
- **Grant Technical Colleges equal access to students** enrolled in the Howard County Public School System (classroom visits/presentations/college fairs) **in support of alternative educational opportunities** that help to address the state's skills gap.
- Encourages the development of **collaboration opportunities** for Howard County Public School System and local technical schools as part of efforts **to present alternative education opportunities.**











ENVIRONMENT & LAND USE

Preparing for future population and business growth means protecting our state's lakes and streams, investing in alternative energy sources, and encouraging eco-friendly and sustainable development. Advancing these principles means supporting legislation that:

- Protects statewide access to sustainable, reliable, and affordable energy supplies;
- Promotes regulatory reform to encourage **greater infrastructure investment** and the integration of new technologies; and
- Secures water supply, enhances access to water, and promotes investment in critical infrastructure.

Issues to Watch

• Climate Change will continue to impact the environment, our current and future way of life. Thus, it will be important to monitor and review policies including, but not limited to, initiatives regarding renewable energy portfolio standards, clean energy goals, and transportation sector requirements. The development of clean and renewable energy sources and transportation initiatives will be key all the while ensuring that reasonable timetables for businesses are set so that we protect manufacturing, distribution, and logistics sectors to name a few.

Locally, Howard County is at a crossroads regarding growth management, commercial land preservation, and economic development. In the months ahead, the Chamber will monitor and support legislation that promotes and encourages smart growth yet fosters an economically competitive environment leading to the increase of the commercial tax base.

Local Priorities

• Support the implementation of a housing plan that encourages housing options at varying price points for a growing and diverse workforce but not to the detriment of commercial land that will be important for existing and future employers;



ENVIRONMENT & LAND USE

- Rental and For-sale housing affordability is a national phenomenon not just limited to Howard County. As part of efforts to address rental housing affordability, the county is contemplating rent stabilization legislation. The Chamber will monitor any proposed legislation and advocate against policy that may negatively impact the development and investment in multi-family housing;
- Support legislation that incentivizes and promotes the continued development of designated growth areas and the redevelopment of village centers and other commercial districts; that encourages the future and continued redevelopment of Downtown Columbia and all village centers;
- With the adoption of the General Plan, the county will turn its attention to the
 updating of the Adequate Public Facilities Ordinance (APFO), a growth management
 process that will enable the County to provide adequate public roads, schools, and other
 facilities in a timely manner and achieve general plan growth objectives. While the process
 is designed to direct growth to areas where adequate infrastructure exists or will exist, it
 has the potential to limit development activity thereby stifling economic growth. The APFO
 should incorporate smart growth policies yet encourage and promote economic and
 community development;
- Just as the County must periodically update the General Plan, the Zoning ordinance must be updated as well. The updated ordinance should seek to maximize developable land thereby allowing for full economic development potential yet minimize environmental impact and stress on infrastructure and neighboring schools.



TRANSPORTATION

The ability to move goods and products in an efficient and timely manner is critical for industry. Moreover, access to jobs and employment centers is key for Maryland families seeking better wages leading to improved opportunities. Businesses and communities prosper when streets and arterials are properly maintained. The Chamber will support legislation that:

- Institutes a **streamlined procurement process** thereby enabling the state's money to work faster in building infrastructure and creating jobs;
- Calls for the development of a **comprehensive transportation plan** that sets forth related funding priorities for roads and transportation alternatives such as Bus Rapid Transit;
- Improves Maryland's infrastructure through efficient use of current revenue sources and provides adequate funding for transportation, and
- **Does not impose external demands** on transportation planning or **restrict** the use of transportation funding.











CYBERSECURITY DATA PRIVACY

For many, Cyber security was seen as a national defense mechanism with little attention to small business and enterprise efforts. We now know and understand that it extends far beyond national security and online presence as it affects our daily lives and business operations. Businesses, government agencies, educational institutions, healthcare entities, and nonprofits alike are all grappling with IT (Information Technology) infrastructure challenges, and the pressures will not subside anytime soon. Teleworking, telehealth, virtual learning, and ecommerce are just a few daily practices being influenced by data security, access, management, and artificial intelligence (AI).

As technology continues to advance and evolve, there will be increased pressures to pass legislation that protects citizens, consumers, and businesses from unscrupulous actors and negligent parties. Simultaneously not all data breaches occur because a party was negligent in their actions.

- Numerous concerns abound pertaining to Online Consumer Personal Information
 Privacy. As such, the Chamber will monitor legislation that speaks to the review of current
 business practices relating to the collection, use, storage, disclosure, analysis, deletion, and
 modification of online personal information of consumers in the State
- Through AI, computer systems are performing tasks once relegated to human intelligence.
 While this advancement maximizes time through the performance of rudimentary tasks,
 process improvements, and monetary savings, there is also the threat of misuse and
 unintended consequences. Although legislation may be needed to examine and develop
 standards, there must also be flexibility and understanding so as not to stifle
 innovation and creativity;
- Legislation that **advances 5G**, **broadband expansion**, **and related technologies** thereby further closing the digital divide and allowing Maryland employers the opportunity to remain competitive domestically and globally.



CYBERSECURITY 8 DATA PRIVACY

Local Priorities

• Support legislation that supports and assists Howard County public institutions in their quest to fund innovative technological advancements which support economic development, student learning and taxpayer protections.











