



MARYLAND
Chamber of Commerce

2022

Legislative Priorities and Anticipated Critical Issues





INTRODUCTION

Each year, in coordination with our membership, the Maryland Chamber of Commerce identifies anticipated critical issues and establishes a legislative agenda to guide our strategy and advocacy efforts when the Maryland General Assembly convenes. Every session presents an opportunity to educate lawmakers and tell the many positive stories being driven by job creators to advance economic success and create Maryland jobs. It also affords us the opportunity to raise the challenges being faced by employers and to work collaboratively toward solutions that make Maryland a better place to live and work.

As a member-driven advocacy organization, our priorities and anticipated critical issues are proposed and voted on each year by our issue-specific policy committees. Our Legislative Committee then reviews our legislative agenda items to ensure they are aligned with the Chamber's mission and values.

We encourage you to get involved in the process by joining one of our policy committees or the Legislative Committee. Your participation is critical to our understanding of the challenges unique to you, your company and your industry. This allows us to advocate more effectively on your behalf.

Your contributions to our advocacy efforts are extremely important as the Maryland General Assembly debates major policy proposals such as new and additional leave mandates, tax changes, adult-use cannabis legalization and investment in our state's infrastructure. Member advocacy is critical to ensuring state legislators fully consider the economic costs of those policy decisions.

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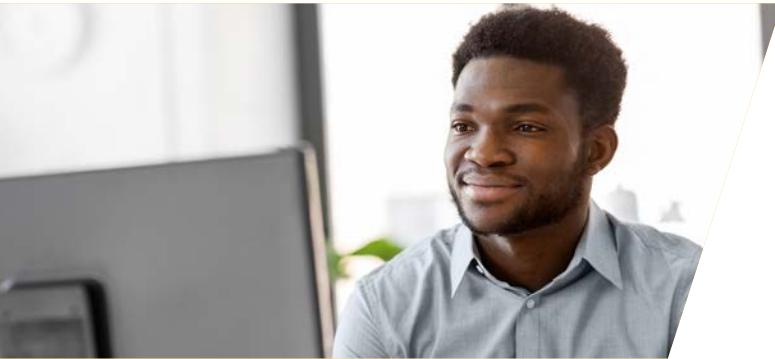


2022 LEGISLATIVE PRIORITIES

1

Digital Products Tax Clarification:

The 'digital products tax' passed in 2019 with broad language leading to confusion and compliance challenges. We support legislation that increases clarity and helps with compliance while reducing unintended taxation and maintaining legislative intent.



2

Increasing Child Care Availability:

We support passing legislation that incentivizes the opening of new childcare facilities and the expansion of existing ones. New and expanded childcare facilities will allow more Marylanders to get back to work, helping with the broader workforce shortage.





2022 ANTICIPATED CRITICAL ISSUES



DIVERSITY, EQUITY & INCLUSION

We, and our members, believe that no matter the industry, diversity, equity and inclusion are business imperatives. Greater diversity benefits Maryland's economy, businesses, communities and employees.

To engage more fully in the complex challenges surrounding inequity, we are prepared to listen, learn and take proactive steps toward meaningful change in the workplace and in our communities. To that end, we have formed a DEI Working Group to discuss and appropriately vet policy proposals intended to achieve those goals.



BUSINESS REGULATION & 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 COVID-19 economic recovery.

Essential Services: Clarity in the definition of what constitutes an essential service; Further clarity on how long state government can require a business to provide services free of charge.

Procurement Reform: Comprehensive procurement reform for state government which is notoriously cumbersome and often leads to a lack of competition among service providers.



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: Certain increases to a businesses' liability exposure and corresponding liability insurance premiums are of concern to us.

Punitive Damages: We closely monitor changes to Maryland's current definition for punitive damages, especially those that could increase the cost of doing business in the state.

Expert Witness Standards: We support maintaining the current Daubert standard for expert witness testimony which was recently adopted by the Courts of Appeals of Maryland. Moving away from this standard would put Maryland at a disadvantage when it comes to the guidelines pertaining to expert testimony.



CYBER & TECHNOLOGY

We believe 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 growth, entrepreneurship and innovation.

Anticipated critical issues:

Broadband Expansion and Connectivity: Encourage and remove barriers to the continued deployment of broadband technology, including 5G, throughout the state. Ensure that any expansion process is transparent, competitive and market based to ensure equitable access to all parties involved.

Data Privacy: We oppose attempts to create new customer data privacy regulations that cause confusion and inconsistencies for businesses that operate in multiple states and generate 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.





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: Expand the pool of apprenticeship and career technical education opportunities for the next generation of workers.

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 which can access the related incentive programs.

Second Chance Employment: Expand educational attainment for currently and formerly incarcerated Marylanders, 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: We closely monitor any 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, while setting reasonable timetables for businesses to meet the goals and objectives and ensuring the protection of the manufacturing and transportation sector businesses.

Carbon Tax: Creates a tax on Maryland businesses for the use of gasoline, natural gas and other greenhouse gases, substantially increasing the costs to Marylanders—while having no impact on emissions originating in other states.

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.





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.

Employee Retention: We support initiatives designed to help employers retain and recruit a qualified workforce.



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.

Restrictive Scheduling: We oppose unreasonably restrictive employee shift scheduling requirements.

Paid Family Leave Benefits: Potentially establishes yet another paid leave mandate for employers, as well as new expansive leave entitlements.

Cannabis - Adult Use Legalization: Adult-use legalization will create a myriad of labor and employment related issues for Maryland businesses. The Maryland General Assembly must consider the impacts on employers and Maryland's workforce while debating this policy.





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:

Corporations and Business Entities – Filing Fees, Combined Reporting and Throwback Rule:

Oppose the adoption of tax reapportionment schemes such as instituting the "throwback rule", adopting mandatory unitary combined reporting, or any other system which creates a systematic and 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: Oppose any effort to expand the sales tax on services not currently listed in Maryland law.

Evaluation of Maryland's De-coupling Provisions: 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 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 as the state's economy recovers from the COVID-19 crisis. Alternatives could include utilizing federal funds such as those given to the state in the American Rescue Plan Act of 2021 or other future sources as they become available.

Digital Downloads Tax: Resolve lingering implementation and interpretation issues relating to the 'digital downloads tax' to ease business compliance, avoid unintended taxation and safeguard legislative intent.



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/Broadband Expansion: Support the expansion of technology infrastructure such as 5G, small cell and broadband to address the need for increased connectivity across all Maryland communities.



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TRANSPORTATION & INFRASTRUCTURE (CONT.)

Transportation Funding: Support policies that ensure the state's investment in critical infrastructure projects continues to be a priority to improve the safe and efficient movement of people and goods. This includes addressing the state's structural deficit and addressing the transportation needs of underserved communities.

Public Safety: Provides for positive quality of life that helps bring businesses to the state and in turn job opportunities and economic expansion.

Infrastructure Funding: Any policies aimed at meeting greenhouse gas reduction goals should take into account all the costs, both direct and indirect, associated with their implementation.



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 as it rebounds from the COVID-19 pandemic without further raising the premium rates for employers.

Unemployment System Reform: The business community supports an unemployment insurance system that provides transparency for employers and benefit recipients.

Workers Compensation - Cannabis: We oppose the expansion of mandatory reimbursement for the cost of medical cannabis use as a treatment for workplace injuries. Cannabis remains illegal at the federal level and has a lack of sufficient objective medical evidence on its efficacy in treating workplace injuries.

YOUR VOICE MATTERS

You deserve a voice in shaping the future of Maryland's economy.

As an advocate with the Chamber, you join a 5,500 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—with a partner that protects your interests.

For more information about membership, contact **Whitney Harmel** at wharmel@mdchamber.org or 410-269-0642 x 1117.



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