



Senate Bill 671 -- *Economic Development - Eligibility for State Job Creation Incentives*
Senate Finance Committee
March 1, 2022
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 671 -- *Economic Development - Eligibility for State Job Creation Incentives*.

Senate Bill 671 prohibits a business from qualifying for job creation incentives unless the positions created or maintained are “qualified positions.” There are numerous definitions of “qualified position,” including a job that is full-time, provides career advancement training, affords the right to collective bargaining, provides paid leave, is considered covered for unemployment insurance, has workers’ compensation benefits, offers retirement benefits, provides fair scheduling, and offers employer-provided health insurance benefits with monthly premiums that do not exceed 8.5% of the employee’s net monthly earnings.

Employee attraction and retention should always be top of mind for policymakers, especially during this period of growing labor market challenges. Before the COVID-19 pandemic wrought its economic and labor market disruption, MCCC heard from its members that employee attraction and retention was the top concern for the business community. Over the last two years, this issue has only been exacerbated by the pandemic economy. Senate Bill 671 makes it more difficult for Maryland employers, especially small businesses, to compete for jobs with surrounding and competitor states that do not have nor are considering such stringent requirements.

Imposing a plethora of restrictions to qualify for job creation incentives will put Maryland at a competitive disadvantage. Maryland generally has a higher cost of doing business than surrounding states. Incentives, such as tax credits, grants, and loans focused on job creation, are meant to mitigate some of those costs. These programs, as currently constructed, work well, and provide targeted incentives in every corner of the State to grow jobs, tax revenue, and provide more opportunities for Marylanders to get and stay in the workforce.

MCCC is also concerned that passage this bill will be especially harmful to small businesses. Small businesses often utilize job creation incentives to grow as they compete with larger companies for qualified employees. In fact, the Fiscal and Policy Note for Senate Bill 671 states that the bill, “may make some businesses ineligible for State job creation incentives.” It further states, “For State job creation incentive programs that are fully subscribed, funds may be reallocated from small businesses that do not meet the bill’s requirements to larger businesses that are more likely to provide benefits required for a qualified position.”

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 671 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

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