



# POSITION STATEMENT

## TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

### SENATE BILL 671 – ECONOMIC DEVELOPMENT – ELIGIBILITY FOR STATE JOB CREATION INCENTIVES

Sponsor – Senator Kramer

March 1, 2022

**DONALD C. FRY**  
**PRESIDENT & CEO**  
**GREATER BALTIMORE COMMITTEE**

#### **Position: Oppose**

Senate Bill 671 places new and onerous requirements on any employer who wants to qualify to receive a state job creation incentive. In order to receive one of these incentives, the positions created by the entity would have to meet the new definition of “qualified position”. These requirements are costly and overreaching, and will cause major impediments for businesses seeking to grow in Maryland.

A qualified position would have the following new requirements:

- Full-time
- If applicable, pay prevailing wage rate
- For all other positions, pay 150% of minimum wage
- Provide career enhancement training for non-executive, non-administrative, non-professional positions
- Must allow collective bargaining
- Provide paid leave
- Provide employer-sponsored health insurance with monthly premiums no greater than 8.5% of employee’s net monthly earnings
- Offer retirement benefits
- Provide fair scheduling

Maryland’s array of job creation incentives have proven to be an effective way for business and government to partner to grow the tax base through increased earnings, as well as to provide targeted job opportunities for underserved populations. Under Senate Bill 671, the cost of compliance with the new requirements would be so high, that very few companies would be able to qualify for a state job creation incentive. Incentive recipient employers would likely be larger companies that already have the resources to provide the benefits, rather than the small, women, and minority owned businesses that can most benefit from the programs.

The Greater Baltimore Committee report entitled Gaining a Competitive Edge outlines eight key pillars that promote economic growth and job creation. Senate Bill 671 is in conflict with the pillars that are identified in the report.

**GREATER BALTIMORE COMMITTEE**

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**Government leadership that unites with business as a partner.**

*Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.*

**Competitive costs of doing business.**

*Public policies must reflect a government predisposition to nurture business growth and to avoid arbitrarily or disproportionately imposing additional overhead upon the business sector.*

**For these reasons, the Greater Baltimore Committee urges an unfavorable report on Senate Bill 671.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*