

**SB0671\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Christopher Meyer

Position: FAV



FEBRUARY 23, 2022

# Subsidy Programs Should Support High-Quality Jobs

## Position Statement in Support of Senate Bill 671

*Given before the Senate Finance Committee*

As policymakers have added a growing number of business subsidies to Maryland's tax code over the last several decades, evidence has begun to pile up that the millions of dollars we put into business tax breaks each year do little to support Maryland's economy. Worse, these tax breaks use up resources that could otherwise be invested in assets businesses value, such as great public schools and modern transportation infrastructure. Senate Bill 671 would require all job creation incentive programs to support high-quality, well-paying jobs that include the right to bargain collectively. **For these reasons, the Maryland Center on Economic Policy supports Senate Bill 671.**

Maryland spends millions each year on business subsidy programs with the stated goal of increasing business investment in the state and driving job creation. However, these programs often include few standards, and the bulk of evidence shows they are not effective. Evaluations by nonpartisan state analysts have repeatedly found weaknesses, such as unclear objectives, inadequate oversight, and poorly designed incentives.

Senate Bill 671 would improve Maryland's job creation incentive programs with a set of strong, consistent job quality standards:

- Subsidized jobs must be full time
- Subsidized jobs must pay the prevailing wage, if one exists; otherwise, jobs must pay at least 150% of the state minimum wage
- Subsidized jobs must include career advancement opportunities
- Subsidized jobs must afford the right to collectively bargain and apply labor peace standards, such as prohibiting captive-audience anti-union meetings
- Subsidized jobs must provide high-quality benefits including unemployment insurance, workers' compensation, health insurance, retirement benefits, paid leave, and fair scheduling.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 671.**

## Equity Impact Analysis: Senate Bill 671

### *Bill summary*

Senate Bill 671 would establish consistent job quality standards across all job creation incentive programs. These include wage standards, benefit standards, career advancement opportunities, and collective bargaining rights.

### *Background*

Maryland spends millions each year on business subsidy programs with the stated goal of increasing business investment in the state and driving job creation. However, these programs often include few standards, and the bulk of evidence shows they are not effective. Evaluations by nonpartisan state analysts have repeatedly found weaknesses, such as unclear objectives, inadequate oversight, and poorly designed incentives.

### *Equity Implications*

Effective investments in economic development can advance equity by improving economic opportunities for workers who face barriers in the job market built through centuries of discriminatory policy choices. However, poorly designed business tax breaks bring no such equity benefits but simply skew the economy further in favor of the wealthy and powerful.

Senate Bill 671 would improve equity by requiring that all state business subsidies come with basic worker protections. These protections would particularly benefit workers whose economic opportunities have been limited through decades of racist policy choices.

### *Impact*

Senate Bill 671 would likely **improve racial and economic equity** in Maryland.

# **SB671 - 3.1.22 - Economic Development Eligibility**

Uploaded by: Donald Fry

Position: FAV



# 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**

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • [www.gbc.org](http://www.gbc.org)

**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.*

**SB 671 - Donna Edwards - FAVORABLE.pdf**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

*President*

Donna S. Edwards

*Secretary-Treasurer*

Gerald W. Jackson

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

**SUPPORT**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 671 -Economic Development – Eligibility for State Job Creation Incentives. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of the 340,000 union members, I offer the following comments.

Through robust tax credits and exemptions, annually millions of Maryland's taxpayers' dollars are invested in businesses requesting taxpayers' aide. In general, businesses are free to hire whomever they want and provide them with a salary and benefits commensurate with the law, and when businesses ask for taxpayers' money, Maryland Legislators are free to decide that those tax dollars are giving Maryland the highest return on our investment to help maximize economic, fiscal, and societal benefits.

For decades, tax incentives have been viewed as a major economic development tool. But we cannot continue to reward business tax incentives on a narrow set of business behaviors to create or maintain jobs. Although assumed that business tax incentives can boost wage growth for workers, academic research finds mixed results of business tax incentives for workers from no wage increase to even an increase in income inequality<sup>1</sup>. This is why Maryland legislators must drive the effort to have the multitude of tax credits to businesses to support inclusive growth and economic health by incentivizing a strategic goal of creating and maintaining family sustaining jobs with benefits and career opportunities.

SB 671 does this by applying real requirements for the job creation that our myriad tax credits and incentives are meant to encourage, creating a pathway for good jobs. Borrowing from the

---

<sup>1</sup> <https://equitablegrowth.org/targeting-business-tax-incentives-to-realize-u-s-wage-growth/>



Clean Energy Jobs Act passed in the 2019 Session and HB 278 that was passed in 2021, SB 671 creates the definition of a “qualified position” to be used as a requirement on all state job creation incentives to include: Fair Scheduling, Career Advancement, the right to Collectively Bargain, Paid Leave, Unemployment Insurance and Workers’ Compensation verification, employer provided health insurance, and Retirement Benefits. Additionally, it sets the salary qualification at 150% of state minimum wage, or if in the construction industry, it applies Prevailing Wage.

Our business tax credits reflect our values. Should we continue to give money away without demanding certain criteria are met? No other investor in a business operates this way, and neither should the State of Maryland. If we are committed to using state job creation incentives to strengthen and build our middle class and Maryland’s economy, then it is imperative that we set a higher standard for businesses to access these resources. If we do not, then workers – the investors – are paying taxes to create low-quality jobs for other workers who cannot fully participate in building our state’s economy.

SB 671 also adds much need reporting requirements to state job creation incentives. The bill requires that, on an annual basis, businesses that receive an incentive must report the wage and benefit breakdowns for each qualified position and the amount of state taxes that would have otherwise been owed but for the incentive they received. Without accurate, timely and detailed information on how the incentives are performing, policy makers cannot make informed decisions on changes, modifications, or potential overhauls that will increase the efficiency of the incentives and provide a greater value to the taxpayer investors.

Businesses have every right to make hiring and salary decisions that they deem best for their business and they can choose not to ask for taxpayers’ money in the form of numerous tax credits. But if businesses do ask for taxpayers’ money, Maryland Legislators have every right to demand that any state job creation incentive dollars that businesses receive creates family-sustaining jobs and produces a good return on taxpayers’ investments. Moreover, legislators have not only the right, but the responsibility to ensure accurate reporting on the economic results of these disbursements, so that they can make sound decisions on the efficacy of good job creation through these incentives.

**We ask for a favorable report on SB 671.**

**SB 671 - Gerald Jackson - FAVORABLE.pdf**

Uploaded by: Donna Edwards

Position: FAV



## PLUMBERS AND STEAMFITTERS

### UA LOCAL UNION 486

8100 Sandpiper Circle, Suite 200

Baltimore, Maryland 21236

Phone: 410-866-4380

Fax: 410-933-3515

www.UALocal486.com

Founded 1889

**Pasquale D. Petrovia**  
*Business Manager*

**Gerald W. Jackson**  
*Assistant Business Manager*

**Gary G. Glab**  
*Financial Secretary/Treasurer*

**C. Ryan Ambrose**  
*Business Agent*

**Harry M. Schleicher Jr.**  
*Business Agent*

**Stephen M. Nitsch**  
*Business Agent*

**Todd E. Eckley**  
*Recruiter*

## Senate Finance Committee

To: Chair- Honorable Delores Kelley

Vice Chair – Brian Feldman

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

Position: Support

Madam Chair and Committee Members:

My name is Gerald Jackson, I am the Secretary- Treasurer for the Maryland State & D.C. AFL-CIO and I am also a 42 year member of the Steamfitters & Plumbers Local Union 486 of which I am the Assistant Business Manager.

I'm submitting this testimony in support of **SB 671** for the following reason:

When taxpayer dollars are being used to incentivize businesses for the purposes of job creation, labor is 100% in favor of this practice. We want Maryland to have the ability to attract businesses that are willing to pay Life –Sustaining Wages and Benefits. This bill applies Labor/Job standards to all the tax credits that taxpayers allocate to businesses to create jobs in Maryland for hopefully state residents only. If a business is looking to be supplemented by taxpayer's dollars for job creation, or be a candidate for a tax deferred deduction for job creation, then the job must, pay at least 150% of the state minimum wage( or prevailing wage if it's a covered craft, be located in Maryland, provide career advancement training, guarantee the right to collectively bargain, be covered by Unemployment Insurance and Worker's Compensation, offer employer provided health insurance, have retirement benefits and provide fair scheduling.

For these reason I'm asking for a favorable report for **SB 671**.

Respectfully.

Gerald W. Jackson, Secretary-Treasurer MD. STATE & D.C. AFL-CIO

**SB 671 - Unified Labor Testimony - FAVORABLE.pdf**

Uploaded by: Donna Edwards

Position: FAV



***Musicians' Association of  
Metropolitan Baltimore***

*1055 Taylor Avenue, Suite 218  
Baltimore, MD 21286*

Phone: 410-337-7277  
Fax: 410-337-7279  
Email: [office@musiciansunion.org](mailto:office@musiciansunion.org)  
Website: [www.musiciansunion.org](http://www.musiciansunion.org)

***Michael Decker***  
***President***

***Mary C. Plaine***  
***Secretary-Treasurer***

February 25, 2022

**TESTIMONY IN SUPPORT OF SB 671  
Eligibility for State Job Creation Incentives  
March 1, 2022**

TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee

FROM: Mary C. Plaine, Secretary-Treasurer, Musicians' Association of Metropolitan  
Baltimore, Local 40-543, American Federation of Musicians

Along with our sisters and brothers in the Maryland State AFL-CIO, the Musicians' Association of Metropolitan Baltimore supports SB 671 and asks that the Senate Finance Committee votes to approve this bill and send it on to the full chamber for passage.

SB 671 would apply real job standards to all the businesses that receive job creation tax credits and grants. Businesses would be required to use those funds to create jobs that would: pay at least 150% of the state minimum wage; be located in Maryland; provide career advancement training; provide paid leave; offer employer-provided health insurance and retirement benefits; provide fair scheduling; and guarantee employees the right to collective bargaining.

AFM Local 40-543 urges the members of the Senate Finance Committee to vote FAVORABLY on Senate Bill 671.

Sincerely,

Mary C. Plaine  
Secretary-Treasurer



190 West Ostend St., #201  
Baltimore, MD 21230  
Phone: 410.547.1515  
Fax: 410.837.5436

Patrick Moran - President

**Testimony**  
**SB 671 – Economic Development - Eligibility for State Job Creation Incentives**  
**Finance**  
**March 1, 2022**  
**Support**

AFSCME Council 3 supports SB 671. This legislation would provide real “teeth” to the concept of creating good jobs, with good wages and benefits in return for job creation tax credits and grants.

All too often job creation incentives fall short of creating the types of employment that would be considered “good jobs.” To address this shortcoming, SB 671 would establish that job creation tax credits and grants must create “qualified positions” in order to be eligible. A “qualified position” must meet the following standards:

- The position located in the State;
- is full-time and pays at least the prevailing wage rate if applicable or, if not applicable, 150% of the State minimum wage;
- provides career advancement training for specified workers;
- affords the employee the right to collectively bargain for wages and benefits and applies labor peace standards on the job site;
- provides paid leave;
- is considered covered employment for purposes of unemployment insurance benefits;
- entitles the employee to workers’ compensation benefits;
- offers employer-provided health insurance benefits with monthly premiums that do not exceed 8.5% of the employee’s net monthly earnings;
- offers retirement benefits; and
- provides fair scheduling.

If Maryland is to expend resources to create jobs and enhance its economy, it should ensure the return on investment is justified. SB 671 ensures that this investment is a worthy one for all Marylanders. We ask the committee for a favorable report of this legislation.

Every AFSCME Maryland State and University contract guarantees a right to union representation.  
An employee has the right to a union representative if requested by the employee.  
800.492.1996



*Amalgamated Transit Union*  
**LOCAL 1300**

126 WEST 25TH STREET • BALTIMORE, MARYLAND 21218

Affiliated with AFL-CIO-CLC

(410) 889-3566-67

Fax: (410) 243-5541

TESTIMONY IN SUPPORT OF HB 849  
Eligibility for State Job Creation Incentives

**MICHAEL McMILLAN**  
President / Business Agent

**LARRY DUNHAM**  
Vice President

**STEVE GLASSCHO**  
Financial Secretary-Treasurer

**ROBIN WARD**  
Recording Secretary

**ROBERT BURLEY**  
Assistant B.A. Non-OP

**EXECUTIVE BOARD  
MEMBERS**

**KELSHAREE DORSEY**  
Eastern Division

**VIVIAN MOORE**  
Eastern Division

**LOUIS DURANT**  
Kirk Division

**LEROY K. CARPENTER**  
Bush Division

**JEFFREY RICE**  
Northwest Shop

**JAMES CARTER**  
Northwest Shop

February 23<sup>rd</sup>, 2022

TO: Hon. Vanessa Atterbeary, Chair, and members of the House Ways  
and Means Committee

FROM: Steven Glasscho, Financial Secretary-Treasurer/ ATU Local  
1300

Greetings Chairperson Atterbeary and the members of the House Ways and Means Committee. I would first like to thank this committee for taking the time to address this important piece of legislation and what it can do to get our economy back to running again. It gives the people the hope that with these incentives that we can work together and trust that we are all in this together. With these being trying times with the epidemic we have to do business differently from now on. In supporting this legislation gives the people the feeling that businesses do care about its employees and their well being which gets people excited about going back to work and growing our tax base back to the levels it once was. This could be the tool needed to spark a new industrial revolution one where we work in harmony that creates new opportunities for incredible growth and spur on the economy.

In closing I ask of you to support this incredibly important legislation for a brighter future for the next generation for growth and prosperity of our country and its citizens.

In Solidarity,

Steven Glasscho- Financial Secretary-Treasurer  
ATU-Local 1300

# The Baltimore Teachers Union

---



AFT 340 AFL-CIO  
Seton Business Park  
5800 Metro Drive  
Baltimore, MD 21215-3209

## **TESTIMONY IN SUPPORT OF SB 671 Eligibility for State Job Creation Incentives**

**March 1, 2022**

**TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee**

**FROM: Diamonté Brown, President of the Baltimore Teachers Union**

### **SUPPORT**

Dear Chair Atterbeary and members of the House Ways and Means Committee,

On behalf of our over 7,000 members in Baltimore City and Maryland, the Baltimore Teachers Union (BTU) supports SB 671 which would apply real job standards to all the tax credits and giveaways that taxpayers give to businesses to create jobs in Maryland. If a business would like some money from the state – or to defer their taxes – and the purpose of this is to encourage job creation, then the jobs they create must: pay at least 150% of state minimum wage (or prevailing wage if it's a covered craft), be located in Maryland, provide career advancement training, guarantee the right to collectively bargain, provide paid leave, be covered by Unemployment Insurance and Workers' Compensation, offer employer provided health insurance, have retirement benefits, and provide fair scheduling.

Without such protections and guarantees in place, these tax credits could help fuel a race to the bottom, putting money into the pockets of people who do not properly compensate or care for their workers. HB849's provisions would ensure that these tax credits actually fulfill their stated intentions by uplifting the people actually doing the work on the ground.

For these reasons we respectfully ask the committee to vote favorably on SB 671.

Sincerely,

Diamonté Brown, President  
Baltimore Teachers Union





Communications  
Workers of America  
Local 2108 AFL-CIO  
10782 Rhode Island Avenue  
Beltsville, Maryland 20705

Office Phone 301-595-2108  
Fax 301-595-2412  
www.cwalocal2108.org

**TESTIMONY IN SUPPORT OF SB 671**

**Eligibility for State Job Creation Incentives**

**March 1, 2022**

TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee

FROM: Marilyn Irwin, President

Madame Chair and Committee Members:

As President of the Communications Workers of America, Local 2108, I am writing on behalf of the 1600 members of CWA Local 2108 to express our STRONG SUPPORT of SB 671. My members work in Prince George's and Montgomery Counties, but live across the state. Our primary employer is Verizon.

SB 671 is very much overdue, in our opinions, and we are in strong support of it. It puts "teeth" in legislation that previously just got lip service. SB 671 takes all of the job creation tax credits and grants in current state law and applies REAL job standards to them. Businesses will no longer be able to take tax money with the nebulous (most likely empty) promise of "job creation" in the future.

This bill will require businesses to use those tax credits and grants to create GOOD jobs, REAL jobs, that pay at least 150% of state minimum wage (or prevailing wage if it's a covered craft), are located in Maryland, provide career advancement training, guarantee the right to collectively bargain, provide paid leave, are covered by Unemployment Insurance and Workers' Compensation, offer employer-provided health insurance, have retirement benefits and provide fair scheduling.

**SB 671 will apply real job standards to all of the tax credits and giveaways that taxpayers provide to businesses to create jobs in Maryland.**

In closing, the members of CWA Local 2108 and I STRONGLY SUPPORT SB 671 and ask that the Senate Finance Committee votes favorably on it.

Thank you for your attention to this matter, and for all the work you do on behalf of Marylanders.



Testimony in Support of SB 671  
Eligibility for State Job Creation Incentives

March 2, 2022

TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee

FROM: Shannon Opfer, President CWA Local 2107 and President CWA MD/DC State Council

Chair Kelley and members of the Finance Committee,

Senate Bill 671 finally applies real job standards to all the job creation grants and credits in state law. Instead of allowing businesses to promise vague “job creation” it forces them to pay 150% of the state minimum wage which leads to living wages for more Marylanders. It requires them to provide career advancement training, guarantee the right to collectively bargain, be covered by Unemployment Insurance and Worker’s Compensation, offer employer provided health insurance, provide fair scheduling and have retirement benefits. This leads to improving workers’ lives and creating a strong middle class.

A strong middle class leads to a strong economy and a stronger Maryland. CWA is in **STRONG** support of this bill and encourages you and the members of the committee to vote for this bill.

Thank you

Shannon Opfer

President CWA Local 2107

President CWA MD/DC State Council

## Mid Atlantic Studio Mechanics and Broadcast Technicians

I.A.T.S.E. Local 487

OFFICE LOCATION: 2301 Russell St., Baltimore, MD 21230

MAILING ADDRESS: P.O. Box 16315, Baltimore, MD 21210



### TESTIMONY IN SUPPORT OF SB 671 - Economic Development - Eligibility for State Job Creation Incentives - March 1, 2022

TO: Hon. Delores G. Kelley, Chair, and members of the Senate Finance Committee.

#### SUPPORT - FAVORABLE REPORT

**Paul Thomas**  
*President*

Mid-Atlantic Studio Mechanics, Local 487, I.A.T.S.E. respectfully extends its' strong support for SB 671 - Economic Development - Eligibility for State Job Creation Incentives.

**Justin Unger**  
*Vice President  
Southern Region*

The Mid-Atlantic Studio Mechanics and Broadcast Technicians, Local 487, I.A.T.S.E. represent over 1000 technicians who support themselves and their families working in the Motion Picture and Television Industry in Maryland. We have been longtime supporters of more transparency when it comes to tax credits or job creation incentives.

**Len Applefeld**  
*Vice President  
Northern Region*

**Ellen Popiel**  
*Secretary/Treasurer*

The Film Production Activity Credit is the most transparent incentive in the State and we are proud to have had a hand in creating that along with your Legislative colleagues. With the Film Production Activity Credit, every single dollar spent in Maryland to qualify must be reported and verified before any money is given to the production entity. For any type of incentive to be successful, there must be accountability.

**David M. O'Ferrall**  
*Business Agent*

We respectfully ask for a favorable report on Senate Bill 671.

# INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:  
Baltimore-D.C. Metro Building Trades Council — AFL-CIO  
Baltimore Port Council  
Baltimore Metro Council — AFL-CIO  
Central MD Labor Council — AFL-CIO  
Del-Mar-Va Labor Council — AFL-CIO  
Maryland State - D.C. — AFL-CIO  
National Safety Council

  
81-S



AFL-CIO-CLC  
BALTIMORE, MARYLAND 21230

C. SAMUEL CURRERI, President  
DAVID W. SPRINGHAM, JR., Recording Secretary  
JEROME T. MILLER, Financial Secretary  
MICHAEL J. McHALE, Business Manager

OFFICE:  
2701 W. PATAPSCO AVE  
SUITE 200

Phone: 410-247-5511  
FAX: 410-536-4338

## TESTIMONY IN SUPPORT OF SB 671

### Eligibility for State Job Creation Incentives

February 25, 2022

To: Hon Delores Kelley, Chair, and members of the Senate Finance Committee

FROM: Rico Albacarys, Assistant Business Agent IBEW Local 24

Thank you for the opportunity to submit written testimony in **strong support** of SB 671.

My name is Rico Albacarys and I'm a member and employee of IBEW Local 24 in Baltimore. I have been fortunate enough to spend the last 11 years of my life earning good, family-sustaining wages. Prior to that, I struggled to find work that would support a middle-class lifestyle, which is a problem many Marylanders are still facing. Businesses are often rewarded for creating jobs, with no thought given to the type of job they've created. I believe, if public money is being used to reward businesses for creating jobs, those jobs should come with certain standards. Senate Bill 671 ensures our tax dollars are used to incentivize the creation of good jobs.

This is why I'm asking you to vote **favorably** on SB 671.

Thank you,

Rico Albacarys



# International Brotherhood of Electrical Workers

A.F.L. – C.I.O. – C.F.L.

## Local Union No. 307

401 Decatur Street - Cumberland, MD 21502

301-724-3403 Fax 301-724-2722



*Rodney E. Rice – Business Manager*

[www.ibew307.org](http://www.ibew307.org)

*George A. Koontz -*

February 28, 2022

To: Members of the Senate Finance committee

From: Rodney E Rice Business Manager Of the International Brotherhood of Electrical Workers L.U. 307

Subject: SB 671

Position: Strongly Support

Dear Honorable Delores Kelley and members of the finance Committee,

Thank you for reviewing my testimony. Please accept this testimony in support of SB 671 . If while companies want to business in the state of Maryland and secure job creation then the companies while doing business within the state should pay at least the 150% of the state minimum wage, prevailing wage have the option of Collectively Bargaining provided health insurance for their families and retirement benefits.

Once again we ask for a favorable report for SB 671

Respectfully,

Rodney E. Rice, Bus. Mgr.  
IBEW Local Union 307



INTERNATIONAL ASSOCIATION OF  
**Heat & Frost Insulators  
& Allied Workers**  
Local 24  
Baltimore-Washington, DC

901 Montgomery Street  
Laurel, MD 20707  
Tel: 301-725-2400  
Fax: 301-725-0804

February 28, 2022

Maryland Senate Finance Committee  
Chair: Hon. Delores Kelley  
Vice Chair: Brian Feldman

**TESTIMONY IN SUPPORT OF SB 671  
Eligibility for State Job Creation Incentives**

Heat and Frost Insulators & Allied Workers Local 24  
Brian S Cavey, Business Manager  
[brian.cavey@insulators24.org](mailto:brian.cavey@insulators24.org)

Senator Kelley, Senator Feldman and members of the committee, I respectfully submit this testimony in support of SB671.

An economy that has been growing on paper has not necessarily translated into better jobs for America's workers. Despite strong corporate profits, paychecks have barely budged. The explanation may lie with dwindling worker bargaining power—which is resulting in a shrinking slice of the advantages of prosperity being shared with working families. And the prior administration made matters worse by rolling back the worker protection gains of Obama Administration, condemning immigrants, and attacking unions and others who strive to give workers a voice on the job. More than ever, states need to lead the way in fighting back and forging new solutions.

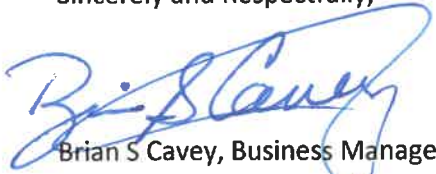
This bill applies real job standards to all the tax credits and giveaways that taxpayers give to businesses to create jobs in Maryland. If a business would like some money from Maryland – or to defer their taxes – and the purpose of this is to encourage job creation, then the jobs they create must:

- pay at least 150% of state minimum wage (or prevailing wage if it's a covered craft),
- be located in Maryland,
- provide career advancement training,
- guarantee the right to collectively bargain,
- provide paid leave,
- be covered by Unemployment Insurance and Workers' Compensation,
- offer employer provided health insurance,
- have retirement benefits, and
- provide fair scheduling.

We support SB671 because state and local governments spend billions of dollars each year on goods and services that are provided by private companies. Yet, all too often, this spending undermines the labor standards of high-road companies that pay good wages and benefits, it delivers jobs that pay poverty wages, and provides poor value to taxpayers. Policymakers can help ensure that government dollars uphold local market wages, support high-quality jobs, and deliver value to taxpayers by making sure employers that take advantage of tax credits provided to create jobs is done so while provided fair labor standards.

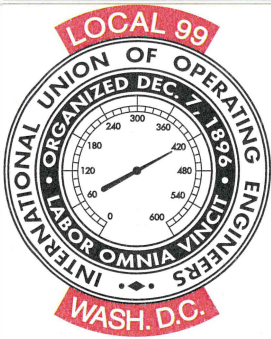
We urge a favorable vote on this legislation. Thank you for your time and consideration.

Sincerely and Respectfully,



Brian S Cavey, Business Manager  
Insulators and Allied Workers Local 24





# INTERNATIONAL UNION OF OPERATING ENGINEERS

**Local 99, 99-A, 99-C, 99-O**

AFFILIATED WITH THE AFL-CIO

Engineer Center

9315 Largo Drive West, Suite 200, Upper Marlboro, MD 20774

(202) 337-0099

Donald P. Havard  
*Business Manager*

Warren L. Watt  
*President*

Frank M. Brown, Jr.  
*Vice President*

Raymond D. Stack  
*Treasurer*

Mark P. Sexton  
*Recording Corresponding  
Secretary*

Frank C. Barile  
*Financial Secretary*

Honorable Senators,

I ask that this statement be added to the record as my official testimony in support of **Senate Bill 671**, Eligibility for State Job Creation Incentives. For far too long, the citizens of Maryland have paid the freight for corporate interests who took Government funds and tax breaks with the nebulous promise of job creation. I am the Business Manager of the International Union of Operating Engineers, Local 99, a Local Union with almost 4,000 members headquartered in Largo, Prince Georges County. We have seen the incredible impact that a good job with a future has on working families. If Government funds are to be used to create jobs, we have the right and indeed the duty to insure they are good jobs. There is absolutely no reason we should be using the tax dollars of hard-working Marylanders for the simple promise of jobs. There is nothing in this legislation that precludes any employer from creating low wages jobs, it simply mandates that it will not be done at tax payer expense.

What the proposed law does is:

- 1) Provide that any employer who receives state funds will ensure that at a minimum the jobs pay 150% of the State Minimum Wage.
- 2) Be located in the State of Maryland.
- 3) Provide career advancement training.
- 4) Provide paid leave.
- 5) Allow for the exercise of the employees right to collectively bargain.
- 6) Be covered by Unemployment and Workers Compensation.
- 7) Ensure Retirement and Healthcare benefits.

I urge every member to support this important legislation. Your constituents are counting on you to make sure that no state funds are used to establish poverty wages. For decades Maryland been a state that believes in the rights of working people. I ask us, in light of this great legacy, to support **Senate Bill 671** and stand for working Marylanders.

Thank you for your time and consideration,

Donald P. Havard

Business Manager

International Union of Operating Engineers, Local 99





---

## Senate Finance Committee

**To:** Senator Delores Kelley, Chair; Senator Brian Feldman Vice-Chair; and Members of the Committee.  
**From:** Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

## **SB 671 – Economic Development – Eligibility for State Job Creation Incentives**

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **SUPPORT SB 671**.

Each year the legislature votes to create incentives to help bring development and jobs to the state of Maryland. These tax dollars go to private companies to help build facilities or tax incentives. Meanwhile, in exchange, these companies create jobs or bring businesses with employees who pay taxes and spend money in the state. The problem is that these construction jobs are often filled with low-wage or out-of-state workers, and the permanent jobs are low-wage with little or no benefits. As a result, when trying to create businesses, workers are always left behind in favor of helping the business owners make more significant profits. HB 849 will help solve this problem.

HB 849 will require all job creation incentives to include labor standards that prioritize workers and protect the community. It would require family-sustaining wages, paid leave, offer employer-provided health insurance, the right to collectively bargain, applies labor peace standards on the job site, and provides retirement benefits, along with several other protections. This legislation would ensure that tax dollars spent on job creation benefit everyone, businesses, workers, and taxpayers. When workers earn better wages, they can spend more money helping local businesses and tax coffers in the community.

For these reasons, I ask you to **SUPPORT SB 671**.

Sincerely,

Jason Ascher  
Political Director  
Mid-Atlantic Pipe Trades Association  
7050 Oakland Mills Road, Suite 180  
Columbia, MD 21046



# Metro Washington Labor Council, AFL-CIO

815 Black Lives Matter Plaza NW • Washington, DC 20006 • 202-974-8150 • 202-974-8152 fax

*An AFL-CIO “Union City”*

## Executive Board

### Officers

Dyana Forester (UFCW 400)

*President*

Robert Hollingsworth (AFSCME 2776)

*1st Vice President*

Chuck Clay (IATSE 22)

*2nd Vice President*

Herb Harris (IBT/BLET)

*3rd Vice President*

Lisa Wilsonia-Blackwell (UFCW 1994)

*Secretary*

Eric Bunn (AFGE District 14)

*Treasurer*

### Members

Greg Bowen (ATU 689)

Dena Briscoe (APWU)

Donna Brockington (DC CLUW)

Robin Burns (DCNA)

Tom Clarke (IBEW 26)

Jaime Contreras (SEIU 32BJ)

George Farenthold (OPEIU 277)

Dan Fields (SEIU 722)

Stephen Frum (NNU)

Don Havard (IUOE 99)

Ann Hoffman (NOLSW, UAW 2320)

Tom Killeen (SMART 100)

Roxie Mejia (Painters DC 51)

Jacqueline Pogue Lyons (WTU 6)

Wanda Shelton-Martin (IUHCE 11990C)

Gina Walton (AFGE 1975)

### Trustees

Djawa Hall (1199 SEIU)

Tim Traylor (AFSCME 2250)

Dave Richardson (AFGE 12)

2 March 2022

Senate Finance Committee

3 East

Miller Senate Office Building

Annapolis, Maryland 21401

## TESTIMONY IN SUPPORT OF SB 671 Eligibility for State Job Creation Incentives

Madam Chair Kelley, Vice Chair Feldman, and esteemed members of the House Ways and Means Committee, I am writing to you today in **support** of Senate Bill 671.

Senate Bill 671 is essential to ensuring the continued growth of Maryland’s economy and workforce as we all work together to recover from a devastating two-year pandemic. Since March 2020, many of the workers that the Metropolitan Washington Council AFL-CIO represents have lost jobs and are living off their savings, pension, and retirement to supplement their incomes. The passage of SB 671 would encourage the growth of businesses across the state and further provide well-paying jobs needed by so many in the state. In addition, these businesses would benefit from top-level work products from a well-trained workforce.

In closing, SB 671 has the potential to set a new standard for businesses and workers across Maryland. Now is the time to grow Maryland businesses and, more importantly, get Maryland workers back to work. Thank you for your time and consideration. I urge the House Ways and Means Committee to vote favorably on Senate Bill 671.

In Solidarity,

Dyana Forester

President

Metropolitan Washington Council AFL-CIO

***Bringing Labor Together Since 1896***  
***www.dclabor.org***



**International Association of Sheet Metal, Air,  
Rail & Transportation Workers,  
Local Union 100— Sheet Metal Division**  
*Affiliated with AFL-CIO*

**Richard D. LaBille, III**  
Business Manager/President  
**Russell K. Robinson**  
Financial Secretary-Treasurer

Chair Kelley and Members of the Senate Finance Committee,

February 28, 2022

**We strongly support SB 671.**

Madam Chair and Committee members, thank you for the opportunity to submit testimony on SB-671. My name is Thomas Killeen Business Representative and Legislative Director for SMART (Sheet Metal Air Rail Transportation) Local Union 100. We represent 2,100 working men and women that reside in the State of Maryland, and we ask that you support are Maryland members by supporting SB 671. This legislation will apply real job standards to all the tax credits and giveaways that taxpayers give to businesses to create jobs in Maryland.

If a business wants money from the State, or to defer their taxes, and the purpose of this is to encourage job creation, then the jobs they create must: pay at least 150% of State minimum wage (or prevailing wage if it's a covered craft), be located in Maryland, provide career advancement training, guarantee the right to collective bargain, provide paid leave, be covered by Unemployment Insurance and Workers Compensation, offer employer provided health insurance, have retirement benefits and provide fair scheduling.

Because of the reasons listed above we ask that you support SB 671.

**We ask for favorable report on SB 671.**

Sincerely,

Thomas Killeen  
Bus. Rep. & Legislative Director  
SMART Local Union 100



LARRY KASECAMP  
Legislative Director

TOM CAHILL  
Assistant Director

JOHNNY WALKER  
Secretary



ANNAPOLIS OFFICE  
176 Conduit St., Suite 206  
Annapolis, MD 21401-2597

PH: 301-697-2695  
[utusldmd@gmail.com](mailto:utusldmd@gmail.com)

March 1, 2022

The Honorable Chairwoman Delores Kelley and  
Members of the Senate Finance Committee

REPRESENTATIVES

CUMBERLAND  
Local 600  
LAWRENCE KASECAMP

BRUNSWICK  
Local 631  
TOM CAHILL

EDMONSTON  
Local 1470  
KENZELL CRAWFORD

BALTIMORE  
Local 610  
JOHNNY WALKER

Local 1949  
ERIC BILSON

**RE: SUPPORT FOR HB-849**

As Legislative Director in Maryland for the Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Worker's (SMART) we urge your committee to support HB-849 "*Economic Development - Eligibility for State Job Creation Incentives.*"

This legislation lays the groundwork for minimum standards to be met by businesses who receive grants or tax credits from the state in exchange for creating or maintaining jobs. It would also require the businesses to keep the state informed as to their success of these requirements.

Maryland, as one of the richest states in the nation, should not be supporting businesses with the peoples tax dollars that don't provide at least 150% of state minimum wage (or prevailing wage if it's a covered craft), be located in Maryland, provide career advancement training, guarantee the right to collectively bargain, provide paid leave, be covered by Unemployment Insurance and Workers' Compensation, offer employer provided health insurance, have retirement benefits, and provide fair scheduling. These conditions are really basic to insuring employees don't live in poverty.

Over the last several years, at the federal level the country has moved in the wrong direction when it comes to policies that benefit the working class. The wealth gap has widened and the persons on the lower end of the spectrum have suffered the most. It's time to change this direction.

Maryland has a history of leading when it comes to progressive policies that benefit Marylanders. This legislation would ensure that Maryland continues to lead and would set an example for other states to follow.

**We urge a favorable report for HB-849**

Sincerely,

Lawrence E. Kasecamp  
MD State Legislative Director  
SMART Transportation Division

## **Testimony in Support of SB 671**

### **Economic Development – Eligibility for State Job Creation Incentives**

TO: Hon. Chair Kelley, Vice Chair Feldman, and members of the Senate Finance Committee

FROM: Kayla Mock, Political Organizer

United Food and Commercial Workers Union, Local 400

Chair Kelley and members of the Senate Finance Committee, I appreciate the chance to share my testimony on behalf of our over 10,000 members in Maryland, working on the front lines of the ongoing pandemic in grocery, retail, food distribution, law enforcement, and health care. The physical and mental toll of the pandemic on our members has been unprecedented, and I appreciate any effort to acknowledge and alleviate these pressures.

#### **We support SB 671 and urge you to vote it favorably.**

As always, the least among us have been the most impacted by the pandemic, and our members, by being on the front lines, were hard hit by exposures and illness. Our members were finally recognized as the heroes they are, showing up for work and serving the community through the uncertainty.

It is time for Maryland to show up for workers the way workers always show up for Maryland and passing SB 671 to hold companies accountable is a way to start.

So often workers and taxpayers receive false promises of “good job creation,” jobs with sustainable wages, affordable healthcare, and quality paid time off from companies advocating for tax breaks. We often hear from businesses that tax incentives will help them invest in the

communities and their employees. However, the truth is that most tax breaks for businesses never trickle down to the employees; they stay in the pockets of the owners or get diverted for other business needs. Good jobs always seem to be used as a carrot, and then tossed aside after the tax breaks are given.

SB 671 holds companies who receive job creation tax credits and grants under current state law accountable to Maryland workers and taxpayers by applying real job standards to them. Instead of good jobs being used as an unachievable carrot, with SB 671 businesses would have to use that money to create jobs that pay at least 150% of state minimum wage (or prevailing wage if it's a covered craft), be located in Maryland, provide career advancement training, guarantee the right to collectively bargain, provide paid leave, be covered by Unemployment Insurance and Workers' Compensation, offer employer provided health insurance, have retirement benefits, and provide fair scheduling.

Good, sustainable jobs will no longer be held up as a carrot to receive tax breaks; they will be real, obtainable, life changing jobs for Marylanders.

**On behalf of our members and all of Marylanders, we urge a favorable report for SB 671.**

**TESTIMONY IN SUPPORT OF SB 671  
Eligibility for State Job Creation Incentives**

March 1, 2022

**TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee**

**From: Gino Renne, President, UFCW Local 1994 MCGEO, International Vice President, UFCW**

On behalf of the 8,000 members of the UFCW Local 1994 MCGEO, I urge you to vote favorably on Senate Bill 671, Eligibility for State Job Creation Incentives.

This bill is smart policy. Our government should tamp down companies who purport to be job creators, yet create jobs that are sub-par. By requiring companies who take incentives or defer taxes to create good jobs that pay fair, living wages, we can go a long way to addressing economic inequality.

This bill also encourages workforce investment – by creating job training requirements and necessitating paid leave, retirement, and health benefits. Studies show that employee turnover is much lower when employees have good benefits and are offered opportunities to grow in their jobs. Employers who make investments in their workforce get more productive and loyal employees.

This bill can save employers money. In a study of the impact of Los Angeles’s living wage ordinance, researchers found that when employers were directed to offer higher wages, the decline in worker turnover yielded savings equal to around one-sixth of the cost incurred.

Jobs created by tax incentives should provide a path to the middle class. By guaranteeing that employers are paying 150% of the minimum wage, and providing health and retirement benefits, we can get more and more employees closer to that mark. Additionally, the spending multiplier created by paying better wages can offset the tax revenue loss.

Again, UFCW Local 1994 urges passage of SB 671. Thank you.





# WESTERN MARYLAND BUILDING & CONSTRUCTION TRADES COUNCIL

AFFILIATED WITH AMERICAN FEDERATION OF LABOR  
COVERING ALLEGANY, GARRETT & WASHINGTON COUNTIES

## TESTIMONY IN SUPPORT OF SB 671 Eligibility for State Job Creation Incentives March 1, 2022

To: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee

From: Lawrence A. Wolfe, Jr, President

Dear Chairman Kelley and Members of the Committee:

I am President of the Western Maryland Building & Construction Trades Council, representing approximately 2,000 men and women in building and construction trades industry, covering the three western counties in Maryland. I am also Secretary-Treasurer for Teamsters Joint Council 62, representing 10,000 Teamsters members across the state of Maryland. We support SB 671 – Economic Development – Eligibility for State Job Creation Incentives.

SB 671 applies real job standards to all the tax credits and giveaways that taxpayers give to businesses to create jobs in Maryland. The jobs businesses create must: pay at least 150% of state minimum wage, be located in Maryland, provide career advancement training, guarantee the right to collectively bargain, provide paid leave, be covered by Unemployment Insurance and Workers' Compensation, offer employer provided health insurance, have retirement benefits and provide fair scheduling.

We support SB 671 and ask that the committee votes favorably on it.

Sincerely,

Lawrence A. Wolfe, Jr  
President





- Electrical Workers
- Insulators
- Boilermakers
- United Association
- Plumbers & Gas Fitters
- Sprinkler Fitters
- Steam Fitters
- Roofers
- Cement Masons
- Teamsters
- Laborers
- Bricklayers
- Ironworkers
- Sheet Metal Workers
- Elevator Constructors
- Painters
- Operating Engineers
- Carpenters

## Maryland Senate Finance Committee

Chair: Delores G. Kelley  
Vice Chair: Brian J. Feldman

### **Senate Bill 671 Economic Development – Eligibility for State Job Creation Incentives**

Position: **SUPPORT**

The Baltimore DC Metro Building Trades Council supports SB 671. The American Labor movement is the greatest social movement ever created to confront infant mortality, child labor and poverty. The 8 hour workday, the 40 hour week, weekends, holidays, wages and benefits with health care for themselves and their dependents and retirement to provide a person the means to live a middle class life and achieve the American dream and retire with dignity. House bill 849 will extend the means of achieving those qualities of life that we all strive for and will make them more accessible and attainable to the least of brothers and sisters. There is the obvious correlation of income to poverty, impecuniousness, and penury that only fair wages, benefits and job conditions can absolve. The Labor standards of good faith collective bargaining, prevailing wages, health and retirement benefits, outreach to our under served communities creating a path to the middle class with contractor compliance to Maryland law are what we strive for and promote to achieve. The adoption and protection of these laws will empower the American middle class.

We ask the committee for a favorable vote.

Respectfully,

Jeffry Guido

Baltimore-DC Metro Building Trades Council

**Value on Display... Everyday.**



Value on Display... Everyday.



**SB671\_MSEA\_Zwerling\_FAV.pdf**

Uploaded by: Samantha Zwerling

Position: FAV

**Testimony in SUPPORT of Senate Bill 671  
Economic Development – Eligibility for State Job Creation Incentive**

**Senate Finance Committee  
March 1, 2022**

**Samantha Zwerling  
Government Relations**

The Maryland State Education Association supports Senate Bill 671, which creates real job standards for businesses to access corporate tax credits.

MSEA represents 75,000 educators who work in Maryland's public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA supports adequate, sustainable, predictable revenue stream that will adequately fund both the operating and construction costs of our public schools. A great public school for every child means our students have updated technology, small manageable classes, safe and modern schools, proper healthcare and nutrition, and have highly qualified and highly effective educators.

The Blueprint for Maryland's Future requires that the state and county governments invest substantially more resources into education for our citizens become truly successful in the very competitive national and global economies. Student have even more needs now to make up for the academic and social-emotional impacts of the COVID-19 pandemic.

This bill helps create criteria to better determine if these corporate tax credits are used effectively. Getting a more accurate picture of expenditures like these tax credits will help the legislature better determine what funds are available to invest on our students and communities.

Finally, this bill helps ensure that companies taking advantage of these tax credits are living up to Maryland values. We must fight to ensure that all workers in the state have a living wage, the right to organize, and benefits that enable them to live healthy lives.

**For those reasons, MSEA urges a favorable report on Senate Bill 671.**

# **SB0671 -- Economic Development - Eligibility for S**

Uploaded by: Brian Levine

Position: UNF



**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.*

Brian Levine / Vice President of Government Affairs  
Montgomery County Chamber of Commerce  
51 Monroe Street / Suite 1800  
Rockville, Maryland 20850  
301-738-0015 / [www.mccc.md.com](http://www.mccc.md.com)

# **SB671 - Economic Development - Eligibility for Sta**

Uploaded by: Jane Redicker

Position: UNF



**OUR MISSION:**

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**SB671 – Economic Development - Eligibility for State Job Creation Incentives  
Finance Committee  
March 1, 2022  
UNFAVORABLE**

On behalf of the Greater Silver Spring Chamber of Commerce, representing 400 member organizations, including very small businesses with fewer than ten employees and several nonprofits, in the greater Silver Spring area of Montgomery County, I write to express our opposition to SB671 – Economic Development - Eligibility for State Job Creation Incentives.

We believe that business is the most effective social program on earth. It has lifted millions out of poverty, by creating jobs. That's why our organization has long supported programs that encourage and incentivize job creation.

SB671 would have the opposite effect on State programs that are designed to create more jobs. By requiring employers to provide benefits some of them cannot even afford for themselves, the program disincentivizes the goal it was created to achieve.

Furthermore, the timing of this proposal seems tone deaf to the current economic conditions. Despite several successful Federal programs, some businesses were still forced to reduce their workforces. Now, as we come out of the pandemic, some see hope on the horizon as they are able to rehire former workers or hire new ones.

We spoke with one member who would have been able to qualify for about \$50 thousand in tax credits in 2020. But then COVID hit and they were forced to lay off most of the jobs had created because the Government shut the business down. Last year, they were able to rehire most former employees. But if this bill becomes law, they could not qualify for the credit. Their wage structure is within the bill's parameters. They offer health insurance, but the employer-employee cost split exceeds what is specified in the bill. And, they are not able to offer any retirement benefits. As they said, they cannot even afford retirement benefits for themselves as owners.

For these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests a **UNFAVORABLE committee report on SB671.**

***Jane Redicker***

President & CEO

**Greater Silver Spring Chamber of Commerce**

8601 Georgia Avenue #203

Silver Spring, MD 20910

Office: (301) 565-3777

Mobile: (301) 466-8997

[www.gsscc.org](http://www.gsscc.org)





# **SB 671\_MDCC\_Economic Development - Eligibility for**

Uploaded by: Maddy Voytek

Position: UNF



**LEGISLATIVE POSITION:**

**Unfavorable**

**Senate Bill 671**

**Economic Development – Eligibility for State Job Creation Incentives**

**Senate Finance Committee**

**Tuesday, March 1, 2022**

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 671 prohibits entities whose net earnings benefit a private shareholder or individual holding an interest in the entity from being eligible for state job creation incentives. The bill also alters the definition of a qualified position and adds a requirement that each entity that obtains a job creation incentive must report information on the qualified position on a yearly basis.

Many of the new benefits an employer must provide the employee for the position to meet the new definition are vague and create additional cost and administrative burdens. For example, new requirements that an employer must provide “career advancement training” and “fair scheduling” are vague and undefined. To go further, new requirements that an employer must provide employees the “right to collectively bargain”, “offers employer-provided health insurance benefits”, and “offer retirement benefits” are all items which create additional cost and administrative burdens on newly formed businesses which these programs are designed to encourage. On top of this, businesses will also now be required to submit yearly reports in connection with any incentive they receive. This piles on to the many challenges businesses are already facing as they recover from the pandemic.

Simply put, SB 671 makes it extremely difficult to create “qualified positions” which are counted for the purposes of tax credit eligibility, therefore, making it more difficult to qualify for Maryland’s incentive programs. This will cause Maryland’s economic development incentives to become underutilized, defeating their purpose. Lastly, The COVID-19 pandemic has taken an extreme toll on businesses, and many are still working to recover and build up their workforce. This bill will only further hinder their progress moving forward.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on Senate Bill 671.