

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 74

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - State Police)

Judicial Proceedings

**Public Safety - Police Employees and Deputy State Fire Marshals - Repeal of Pay
Rate Restriction on Promotion**

This departmental bill repeals the requirement that a police employee or deputy State fire marshal in the Department of State Police (DSP), on promotion, be entitled only to the pay specified for the new rank in the next lower step than the police employee or deputy State fire marshal occupied before promotion if the step that the police employee or deputy State fire marshal occupied before promotion is higher than that held by a police employee or deputy State fire marshal who is already in the rank and has equal or higher service time. Thus, under the bill, a police employee or deputy State fire marshal is entitled to the pay specified for the new rank in the same step that the police employee or deputy State fire marshal occupied before promotion without exception. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: DSP has not used the pay rate restriction for any prior promotions, so repealing it has no current fiscal impact. However, as police employees and deputy State fire marshals are promoted in the future, the impact is likely small enough that it can be absorbed within DSP's existing budget. No effect on revenues.

Local Effect: None.

Small Business Effect: DSP has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: The Secretary of State Police must develop a pay plan for police employees, DSP communications operators, and DSP communications supervisors that includes the ranks and the grades within ranks that the Secretary considers appropriate. The pay plan is subject to approval by the Secretary of Budget and Management and is effective on approval by the Governor only to the extent that sufficient money is included in the State budget. Each police employee, DSP communications operator, and DSP communications supervisor is entitled to receive the pay rate, including any increment based on length of service, set forth in the pay plan established by the Secretary.

Each police employee is entitled to the pay rate for the next highest step within the police employee's rank on (1) each July 1, if the police employee was a police employee on July 1, 1967, or (2) each anniversary of the date of employment, for all other police employees.

On promotion, a police employee or a deputy State fire marshal is entitled to the pay specified for the new rank in the same step that the police employee or deputy State fire marshal occupied before promotion. However, if the step that the police employee or deputy State fire marshal occupied before promotion is higher than that held by a police employee or deputy State fire marshal who is already in the rank and has equal or higher total service time, on promotion, the police employee is entitled only to the pay specified for the new rank in the next lower step than the police employee or deputy State fire marshal occupied before promotion.

Background: DSP advises that historically, DSP has hired all police employees and deputy State fire marshals at the same rank and pay step. However, in recent years due to difficulties with recruitment, DSP started providing additional pay steps for prior experience as a recruitment tool for new hires. For example, a new hire with three years of relevant experience from another agency could receive an additional three steps when hired by the State. Thus, upon promotion to a higher level, that individual may be at a higher step than someone hired at the same time at the higher level. DSP notes that the current law nullifies its recruitment efforts by penalizing these employees upon promotion.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 234 (Chair, Appropriations Committee)(By Request - Departmental - State Police) - Appropriations.

Information Source(s): Department of Budget and Management; Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - January 19, 2026
gj/mcr

Analysis by: Heather N. MacDonagh

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Safety – Police Employees and Deputy State Fire Marshals – Pay Rate Restriction - Repeal

BILL NUMBER: SB74

PREPARED BY: Thomas Williams

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There is no impact on small business