

**Department of Legislative Services**  
 Maryland General Assembly  
 2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 417 (Senator Lam)  
 Finance

**Labor and Employment - Mandatory Meetings on Religious or Political Matters -  
 Employee Attendance and Participation (Maryland Worker Freedom Act)**

This bill prohibits employers and their agents, representatives, and designees from taking or threatening to take specified adverse actions against an employee – or refusing to hire an applicant for employment – because the employee or applicant declines to attend, participate in, or listen to communications in an employer-sponsored meeting regarding the employer’s opinion on religious or political matters, as defined by the bill. The bill authorizes the Commissioner of Labor and Industry to enforce the bill, as specified. Additionally, the commissioner must develop and make available a poster and model notice by November 1, 2026.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$131,600 in FY 2027 for staffing; the Maryland Department of Labor (MD Labor) can develop a poster and model notice with existing resources. Although the bill likely applies to the State as an employer, it likely has no material effect on expenditures (all funds), as discussed below. The bill’s penalty provisions are not anticipated to materially affect general fund revenues.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	131,600	151,900	159,000	166,100	173,100
Net Effect	(\$131,600)	(\$151,900)	(\$159,000)	(\$166,100)	(\$173,100)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Although the bill likely applies to local governments as employers, it likely has no material effect on local governmental finances, as discussed below.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** “Political matters” means matters relating to elections for political office; political parties; proposals to change legislation, regulations, or public policy; or the decision to join or support a political party or potential civic, community, fraternal, or labor organization. “Religious matters” means matters relating to religious belief, affiliation, and practice or the decision to join and support a religious organization or association.

### *Exemptions*

The bill does not apply to an employer that:

- is a religious corporation, organization, or association, or a specified religious educational institution or society or is exempt from employment discrimination protections under federal or State law;
- is a political organization communicating its political tenets or purposes;
- is an educational institution where political or religious matters are part of the regular coursework;
- is a nonprofit, tax-exempt training program where political and religious matters relate to the program’s mission;
- requires employees to undergo training to comply with federal or State law, as specified; or
- is a governmental unit holding a new employee orientation.

### *Employer Rights*

An employer is not prohibited from:

- communicating information that the employer is required to communicate by law;
- conducting a meeting that involves religious or political matters if attendance and participation are voluntary;
- communicating information necessary for employees to perform their job duties;
- if the employer is an institution of higher education, meeting with or participating in communications with employees that are part of coursework, a symposium, or an academic program at the institution; or
- communicating to its employees information related to a policy of the employer or a law that the employer is responsible for administering at a governmental unit.

### *Penalties*

If the prohibitions above are violated, an employee may file a written complaint with the commissioner within 180 days of the alleged violation. The commissioner must investigate the complaint and attempt resolve the matter informally through mediation.

If the issue is not resolved through meditation and the commissioner determines a violation has occurred, the Commissioner may assess a civil penalty of up to \$10,000 for an initial violation and \$25,000 for a subsequent violation. In addition to civil penalties, the commissioner may issue a cease-and-desist order or award other appropriate relief such as (1) injunctive relief; (2) compensatory damages; (3) affirmative relief; as specified; or (4) reasonable attorney's fees and other costs. The commissioner may file a petition in the circuit court for any county to seek enforcement of an order issued under this bill.

### *Notice Requirements*

By November 1, 2026, the Commissioner must develop and make available a poster and model notice that summarize the rights established under the bill, including instructions on how to file a complaint. These materials must be provided in English and any other languages commonly used by employees in the State.

Each employer must notify its employees of their rights and protections by displaying the developed poster or notice in a conspicuous place accessible to all employees. The commissioner must consider an employer's failure to comply with the notice requirement as an aggravating factor when awarding relief for violations.

**Current Law:** The State does not have protections for employees who decline to attend employer meetings.

### *Unlawful Discrimination*

State law generally prohibits an employer with at least 15 employees from discharging, failing or refusing to hire, or otherwise discriminating against any individual with respect to the individual's compensation, terms, conditions, or privileges of employment because of race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic information, military status, or disability. The State and local governments are considered employers.

**State Expenditures:** MD Labor anticipates an increased workload due to the requirements that it (1) investigate complaints alleging violations of the bill and (2) assess and adjudicate penalties. Thus, general fund expenditures increase by \$131,588 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate includes the cost of hiring one wage and hour investigator and a half-time assistant attorney general. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including rent.

Positions	1.5
Salaries and Fringe Benefits	\$109,433
Operating Expenses	<u>22,145</u>
<b>Total FY 2027 State Expenditures</b>	<b>\$131,588</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Although the bill does not explicitly define “employer” to include State and local governments, it does include references to government employers, which likely means that they are included in the bill’s prohibitions. This analysis assumes that State employers generally comply with the bill’s prohibitions, resulting in no meaningful effect on State expenditures.

**Local Expenditures:** As with the State, the bill likely applies to local governments as employers. Similarly, this analysis assumes that local governments comply with the bill’s prohibitions as employers, resulting in no meaningful effect on local expenditures.

**Additional Comments:** The bill prohibits an employer from taking adverse actions against employees and from refusing to hire an applicant for employment under specified conditions. It further allows an *employee* to file a complaint with the commissioner for a violation of the bill but does not authorize an *applicant for employment* to also file a complaint. Therefore, the bill is unenforceable as it relates to violations involving applicants for employment.

The Department of Legislative Services notes that the bill takes effect October 1, 2026, and MD Labor is required to provide the posters and model notices to all employers one month later, by November 1, 2026. To the extent that MD Labor cannot complete the poster and notice and procure printing services during that month, it may not be able to meet the bill’s deadline.

### Additional Information

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

**Designated Cross File:** HB 45 (Delegate Vogel) - Government, Labor, and Elections.

**Information Source(s):** Maryland Department of Labor; Office of the Attorney General; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2026  
sj/mcr

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Analysis by: Toni Heo

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