

February 9, 2026

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Senate Office Building  
Annapolis, Maryland 21401

**SB0003 - Unemployment Insurance Modernization Act of 2026**

Dear Chairwoman Beidle and Members of the Committee:

On behalf of the Allegany County Chamber of Commerce and our more than 300 member businesses, I am writing to respectfully express our opposition to SB0003, the Unemployment Insurance Modernization Act of 2026.

Our Chamber represents employers across a wide range of industries in Western Maryland, the majority of whom are small, locally owned businesses operating in a rural economic environment. While we support the importance of a strong and reliable unemployment insurance safety net for workers, we are concerned about the financial and operational impact this legislation would have on our regional business community.

SB0003 proposes significant structural changes to the unemployment insurance system, including expanding the taxable wage base and indexing employer contributions and benefit levels to statewide average wages. While these adjustments may be designed to modernize the system, they would also create automatic, ongoing cost increases for employers, regardless of regional economic conditions.

For rural areas like Allegany County, where businesses already face a constrained labor pool, higher transportation and logistics costs, and thinner operating margins, these mandated increases present serious challenges. Unlike larger markets, our members often lack the financial flexibility to absorb rising payroll taxes without making difficult operational decisions.

Many of our member businesses serve as economic anchors in their communities, providing stable employment, supporting local supply chains, and contributing to the overall tax base. Policies that significantly increase the cost of employment risk slowing job creation and weakening the competitiveness of rural Maryland's business environment.

We respectfully urge the Committee to consider the disproportionate impact SB0003 may have on small and rural employers and to engage the business community in identifying balanced solutions that preserve the solvency of the unemployment insurance system without placing undue burden on job creators.

Thank you for your time and consideration.

Sincerely,



Juli McCoy  
President & CEO

cc: Western MD Delegation