



Senate Bill 3

Position: Unfavorable

Committee: Senate Finance

Date: February 11, 2026

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 3 (SB 3) makes significant changes to Maryland's unemployment insurance (UI) program, including increasing the taxable wage base used to calculate employer contributions and increasing weekly unemployment benefit amounts and allowances by tying them to statewide wage growth. Specifically, SB 3 would:

1. Raise the taxable wage base used to determine employer contributions into the Unemployment Insurance Trust Fund from \$8,500 to 16% of the state average annual wage (~\$12,630) - an increase of about 49%.
2. Raise the minimum and maximum weekly benefit amounts to 15% (~\$228 per week) and 40% (~\$607 per week) of the state average weekly wage, respectively. This represents a 41% increase in the maximum weekly benefit and a 356% increase in the minimum weekly benefit.

Under the proposed changes, Maryland would likely move into the top third of states for maximum weekly benefits and among the top five states for minimum weekly benefits. In addition to increasing the amount employer's pay in UI taxes, SB 3 would fundamentally alter Maryland's UI system by shifting it from a fixed model (an approach shared by many states) to an indexed model, tying both employer contributions and benefit levels to statewide wage growth. Unlike the current system, this approach would result in **automatic and ongoing increases in costs without future legislative review**, reducing predictability for employers planning payroll, hiring, and long-term investments.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report on SB 3**.