HOWARD COUNTY CHAMBER

February 11, 2026

Legislative Position: Unfavorable
Senate Bill 3
Unemployment Insurance Modernization Act of 2026
Senate Finance Committee

Dear Chair Beidle and members of the committee:

Founded in 1969, the Howard County Chamber of Commerce represents over 700 members and 170,000 employees, advocating for the county's business community and partnering with elected officials to support economic growth.

Senate Bill 3 (SB 3) proposes significant changes to Maryland's unemployment insurance (UI) system by tying benefit levels and the taxable wage base to variable economic metrics, including the State Average Weekly Wage and inflationary indices such as the Consumer Price Index.

While the Chamber supports a solvent and responsive UI system, we are concerned that these changes introduce long-term cost uncertainty and instability for employers. Specifically, SB 3 would:

- Tie benefit calculations to the State Average Weekly Wage, allowing payouts to rise automatically regardless of broader economic conditions or the health of the UI Trust Fund.
- Index the taxable wage base to a moving benchmark, rather than a fixed base, creating recurring tax increases for employers.
- Remove legislative oversight from future cost increases, shifting them to automatic adjustments rather than a transparent process.

Reforms of this nature require thorough analysis, stakeholder engagement, and cost modeling. With recent discoveries of rampant fraud and poor administration, simply asking for more money from employers without ensuring tight compliance controls are in place seems out of touch with today's business climate realities. For these reasons, the Howard County Chamber of Commerce respectfully requests an **unfavorable report** on **SB 3**.

Sincerely,
Kristi Simon
President & CEO
Howard County Chamber of Commerce