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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**HB 1173 – State Procurement – Contractors and Vendors—
Restrictions on Use of State Funds and Resources**

Governor Wes Moore has recently emphasized the need for transparency, accountability, and discipline in the management of state funds to ensure the responsible stewardship of taxpayer dollars. The General Assembly is working in partnership with the Governor on shared solutions to improve financial compliance infrastructure and strengthen fiscal oversight, including legislation that will establish clear guardrails around the expenditure of state funds by contractors and vendors.

HB1173 is one such bill—a piece of legislation that defines the uses and prohibited uses of state funds by units of state government, vendors, or contractors for collateral activities of employees. Under the bill:

- A unit of State government may not knowingly use public funds to influence the decisions of State employees to support, oppose, or become members of an employee organization;
- A contractor or vendor contracted by a unit of State government may not knowingly use public funds to influence the decisions of employees to support, oppose, or become members of an employee organization that seeks to represent the employees.

- A contractor or vendor contracted by a unit of state government may not knowingly use public funds to contract with any person for the purpose of carrying out a campaign against efforts by employees to:
 - Gain or retain collective bargaining rights; or
 - Certify an employee organization as an exclusive representative; or
 - Engage in anti-union activities
- A number of employer-employee activities are exempted from the act when expenses are incurred to resolve grievances, to use State facilities, to negotiate entering into an agreement with an employee organization
- This Act shall take effect October 1, 2026.

We request a favorable finding.