



February 24th, 2026

UNFAVORABLE: HB 1229-Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Dear Chair Wells and Members of the Government, Labor, & Elections Committee:

On behalf of the **Harford County Chamber of Commerce**, which represents over 700 hundred employers (private and non-profit) across the region, I respectfully submit this letter in **opposition to House Bill 1229**. While well-intentioned, this legislation would further strain an already challenged Maryland business climate — particularly at a time when employers are operating on historically thin profit margins and nonprofit organizations are at risk of diminished capacity.

Maryland’s Business Climate Challenges (Data):

- Maryland currently ranks **32nd in the CNBC 2025 Top States for Business overall**, reflecting persistent challenges in competitiveness relative to peer states such as Virginia (#4), Pennsylvania (#17), and Delaware (#29).
- In key business environment sub-rankings, Maryland is **37th in Business Friendliness** and **46th in Cost of Doing Business**, significantly behind regional competitors that offer lower regulatory costs and greater operational predictability.
- The state’s **corporate tax rate of 8.25 percent** is among the highest in the nation, further increasing costs on employers compared with neighboring states like Virginia (6 percent) and Pennsylvania (7.99 percent).

Small Business Formation & Survival:

- In 2024, Maryland saw a **6 percent decline in new business applications** (152,999 vs. 163,516 in 2023) and only **+2,281 net new businesses** — a **43 percent drop** from the prior year.
- Small business **survival rates dropped from 19 percent to 12 percent** and jobs per new business fell sharply, with Maryland ranking **35th nationally** in job creation per new business.
- Only **14 percent of new business applications** were employer-intent businesses — meaning fewer firms are planning to hire workers compared to neighboring states.

These metrics signal serious structural concerns. Maryland’s ability to attract, retain, and grow businesses — particularly those that create stable employment — is losing ground to surrounding states that feature lower costs and more predictable regulatory frameworks.

Tight Profit Margins & Economic Pressures:

Many Harford County Chamber members operate with single-digit profit margins and face rising costs for

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The Highlands School
- Chanel Brooks
Baltimore Gas & Electric
- Ron Fisher
Harford County Caucus of African America Leaders
- Fisher Financial
- Robert Wehland
Freedom Federal Credit Union

President/CEO

Angela Rose

labor, insurance, energy, real estate, and compliance. Additional mandates imposed by HB 1229 — even with good intentions — will add expenses that cannot easily be passed on to consumers, risking layoffs, price increases, reduced investment, or business closures.

Impact on Nonprofits:

Nonprofits in our region already operate with constrained budgets, limited reserves, and heavy demand for services. Additional regulatory or cost requirements under HB 1229 could divert scarce resources away from mission-critical work such as workforce development, human services, education, and community support.

Talent & Population Dynamics:

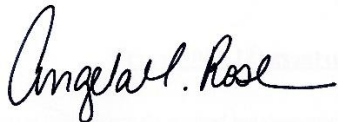
Maryland’s economic challenges are influencing demographic trends as well — the state lost **18,509 residents to other states in one year**, ranking **45th in domestic migration**, weakening talent pipelines that employers rely on.

Taken together, these data points paint a clear picture: Maryland’s economic environment is already strained, and employers are struggling to grow and survive. Rather than layering additional burdens through HB 1229, policymakers should prioritize strengthening Maryland’s competitiveness by stabilizing costs, reducing unnecessary regulatory burdens, and creating a more inviting environment for business investment and nonprofit sustainability.

For these reasons, the **Harford County Chamber of Commerce respectfully requests an unfavorable report on HB 1229.**

Thank you for your thoughtful consideration.

Sincerely,



Angela Rose
President & CEO
Harford County Chamber of Commerce

