

2025 Session Review Commerce Budget and Legislative Priorities

Commerce Budget Overview

The FY 2026 Commerce Operating Budget, resulting from legislative actions, is \$285.3M.

Funding levels for selected Economic & Tourism Development Programs:

- \$17.5M for Advantage Maryland (MEDAAF)
 - \$47.8M for More Jobs for Marylanders (MJM) Tax Credit Program
 - \$12M for Biotechnology Investment Incentive Tax Credit (BIITC)
 - \$11M for Maryland Small Business Development Financing Authority (MSBDFA)
 - \$19.3M for Tourism Development
 - \$31.5M for the Maryland State Arts Council (MSAC)
 - Of this total, \$310,000 was added as grants to specific entities
 - \$16M for the Sunny Day Fund
 - \$7M for Build Our Future Innovation Economy Infrastructure Grant Program
 - \$9.75M for Child Care Capital Support Revolving Loan Fund
 - \$2M for the Manufacturing 4.0 Grant Program
 - \$500,000 for the BioHub Maryland Initiative
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Administration and Department Legislative Priorities

What Passed?

CH 2 - Registered Apprenticeship Investments for a Stronger Economy (RAISE) Act

Alters the duties of the Maryland Apprenticeship and Training Council and repeals the Youth Apprenticeship Advisory Committee. It also establishes the Maryland Office of Registered Apprenticeship Development to scale registered apprenticeships across industries and occupations to meet the needs of the State's economy and establishes the Maryland Pay Per Apprentice Program within the Maryland Department of Labor. It also creates the Maryland Pay Per Apprentice Program Fund as a special, non-lapsing fund. Effective October 1.

CH 445 - Controlled Hazardous Substance Facility Permit - Research Facilities - Chemical Warfare Material Requirements

Provides that certain provisions of law regarding chemical warfare material requirements under a controlled hazardous substance facility permit do not apply to the incineration of chemical warfare materials at a certain research facility (Aberdeen Proving Ground) if the incineration is done for research, development, or demonstration purposes. It also establishes additional requirements applicable to research, development, and demonstration permits issued for the incineration of chemical warfare materials at a research facility. Effective July 1.

CH 601 - Procurement Reform Act of 2025

Authorizes the Secretary of General Services to delegate certain powers and duties to the Chief Procurement Officer. It also alters the authority of the Department of General Services to engage in or control procurement of certain equipment and services and the authority of the Department of Transportation and the Maryland Transportation Authority to engage in procurement for certain supplies and services for transportation-related activities. Effective October 1.

What Failed?

SB 427 / HB 498 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act

Alters the designation, administration, and purposes of and eligibility for certain economic development programs. It also redesignates the Maryland Economic Development Assistance Authority to be the Maryland Economic Competitiveness Fund, repeals the Maryland Small Business Development Financing Authority and certain related funds, makes the film production activity tax credit transferable, authorizes a qualified film production entity to amend its application for the tax credit under certain circumstances.

Other Bills of Interest

What Passed?

CH 3 / CH 4 - Economic Development - Small Business Guaranty Fund – Alterations

Authorizes the Maryland Small Business Development Financing Authority to authorize the provision of a guaranty under the Small Business Guaranty Fund in the form of an irrevocable letter of credit, an official treasurer's check, funds on deposit in an escrow or other depository account, or any other legal instrument promising a financial institution restitution or reimbursement for its loan losses, within the limits of the guaranty. Effective October 1.

CH 9 / CH 10 - Interstate Social Work Licensure Compact

Enters into the Social Work Licensure Compact for the purpose of authorizing regulated social workers who hold multistate licenses to practice social work in member states. It establishes requirements for multistate licensure and the Social Work Licensure Compact Commission. It also provides for withdrawal from the Compact and that the Act is contingent on the enactment of substantially similar legislation in six other states. Effective October 1.

CH 63 / CH 64 - Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles

Provides certain planning principles that are collectively intended to create sustainable communities and to protect the environment utilizing active public participation. It alters the State Economic Growth, Resource Protection, and Planning Policy to consist of planning principles for advancing sustainable growth in the State and requires the publisher of the Annotated Code of Maryland, along with the Department of Legislative Services, to correct cross-references and terminology in the Code that are rendered incorrect by the Act. Effective October 1.

CH 97 - Catastrophic Event Account, Federal Government Shutdown Employee Assistance Loan Fund, and Powers of the Attorney General - Alterations (Protect Our Federal Workers Act)

Renames the Federal Government Shutdown Employee Assistance Loan Fund to be the Federal Government Employee Assistance Loan Fund and authorizes funds appropriated to the Catastrophic Event Account to be expended to assist in funding costs connected to a relocation, closure, or mass layoff of a unit of the federal government, or other similar circumstances. It also expands the authority of the Attorney General to take certain actions. Effective upon enactment on April 22.

CH 182 - Prince George's Gateway Development Authority - Sunset Repeal PG 403-25

Repeals the sunset provisions of the Prince George's Gateway Development Authority thereby making the Authority permanent. Effective October 1.

CH 200 / CH 201 - Maryland Small Business Innovation Research and Technology Transfer Incentive Program – Alterations

Repeals limitations on awards or investments provided to eligible small businesses under the Maryland Small Business Innovation Research and Technology Transfer Incentive Program. Effective July 1.

CH 214 - Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force - Revisions

Requires the Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force to identify certain funding sources and mechanisms, and to submit a report to the Governor, the Mayor of Baltimore City, and the General Assembly on its findings and recommendations by December 1, 2025. It also extends the termination date for the Task Force to June 30, 2026. Effective July 1.

CH 215 / CH 216 - Economic Development - West North Avenue Development Authority – Alterations

Alters the administration and membership of the West North Avenue Development Authority and specifies the powers and duties of the Authority. The bill also requires the Authority to take certain actions regarding the finances of the Authority, exempts the Authority from certain taxation or assessments under certain circumstances, establishes the West North Avenue Development Authority Fund as a special, non-lapsing fund, and alters the termination date of the Authority from September 30, 2026 to September 30, 2029. Effective upon enactment on April 22.

CH 217 - Economic Development - Maryland Innovation Initiative Institution Partnership Extension Program – Establishment

Establishes the Maryland Innovation Initiative Institution Partnership Extension Program to expand opportunities for technology validation, entrepreneurial development, and industry engagement at eligible institutions. It also establishes eligibility criteria for project proposals to receive funding under the Program and authorizes the Governor to include an appropriation of \$250,000 in the annual budget bill for fiscal years 2027 and 2028 for the Program. It also alters the purpose and contents of the Maryland Innovation Initiative Fund. Effective July 1.

CH 218 – Cyber Maryland Program – Revisions

Transfers the Cyber Maryland Program from the Maryland Technology Development Corporation to the Maryland Department of Labor and alters the duties of the Program. Requires the Program to issue competitive grants and contracts beginning in fiscal year 2026, to enhance cybersecurity workforce development, including cybersecurity for operational technology. It also authorizes the

Governor for fiscal year 2027 and each fiscal year thereafter to include in the annual budget bill an appropriation sufficient to run the program. Effective July 1.

CH 235 - Department of Commerce - Montgomery County Agricultural Reserve Study MC 15-25

Requires the Department of Commerce, in coordination with certain county agencies and organizations, to study economic development in and the tourist and visitor economy of the Montgomery County Agricultural Reserve and, on or before June 30, 2026, report its findings to the members of the Montgomery County Delegation to the General Assembly. Requires the Department to make recommendations regarding policies and programs that can help promote and preserve the Montgomery County Agricultural Reserve. Effective July 1.

CH 236 – Washington County – Property Tax Credit – Economic Development Projects

Alters eligibility requirements for a certain property tax credit for certain business entities that invest a certain amount in certain real property in Washington County and create a specified number of new and permanent full-time jobs in the county. Alters the amount and duration of the property tax credit. Effective June 1.

CH 314 / CH 315 - Department of Commerce – Nonprofit Organizations Navigator – Established

Establishes a nonprofit organizations navigator within Commerce to provide certain technical assistance to nonprofit organizations, to work with nonprofits and units of State government to resolve complexities and delays in State grant-making processes, collect and share certain information, and represent nonprofit organizations' interests and concerns as a member of the Maryland Efficient Grant Application Council. Effective upon enactment on May 6.

CH 379 - Economic Development - Western Maryland Economic Future Investment Board and Senator George C. Edwards Fund – Alterations

Alters the composition of the Western Maryland Economic Future Investment Board and provides that the Executive Director serves as a nonvoting member of the Board. Alters the purpose of the Senator George C. Edwards Fund to provide grant or loan funding to create jobs and significant economic development opportunities in the region and alters the criteria that the Board must consider when awarding grants and loans from the fund. Effective July 1.

CH 486 / CH 487 - State Designations - State Cocktail and State Mineral - Original Maryland Orange Crush and Chromite

Designates the original Maryland Orange Crush which originated in 1995 at the Harborside Bar and Grill in Ocean City, Maryland as the State cocktail. Designates chromite, which reflects the nature of Maryland's rich mining history and vast mineral resources, as the State mineral. Effective June 1.

CH 561 - Prince George's County - Federal Bureau of Investigation Headquarters - Mandated Appropriation

Requires the Governor to include \$200,000,000 in the annual operating or capital budget bill for site redevelopment and transportation infrastructure improvements if the U.S. General Services Administration applies to Prince George's County or the State for a permit associated with the relocation of the Federal Bureau of Investigation Headquarters to Prince George's County. Effective July 1.

CH 605 - Department of Social and Economic Mobility – Established

Establishes the Department of Social and Economic Mobility and creates the Secretary of Social and Economic Mobility. The purpose of the Department is to provide support for units of State government, individuals, and businesses for the maintenance of social equity policies in the State. It also establishes the Department of Social and Economic Mobility Special Fund and requires the Governor to include in the annual budget bill a certain appropriation from the Transportation Trust Fund to this Fund. Effective October 1.

CH 619 - Office of Small, Minority, and Women Business Affairs - Interdepartmental Advisory Committee - Repeal and Definitions

Repeals the Interdepartmental Advisory Committee on Small, Minority, and Women Business Affairs within the Office of Small, Minority, and Women Business Affairs and alters the definition of "minority person" for the purpose of certain provisions of law governing the Office to include a nonprofit entity which is incorporated in the State or otherwise qualified to do business in the State, has been determined by the Internal Revenue Service to be exempt from taxation, and is organized to promote the interests of disabled persons. Effective October 1.

Vetoed Bills

SB 116 / HB 270 - Data Center Impact Analysis and Report

Requires the Department of the Environment, the Maryland Energy Administration, and the University of Maryland School of Business, in coordination with the Department of Legislative Services, to conduct an analysis of the likely environmental, energy and economic impacts of data center development in the State. Requires the Department of Legislative Services to coordinate the preparation of the final report to be submitted to the Governor and the General Assembly by September 1, 2026

SB 149 / HB 128 – Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports

Requires the Comptroller, in coordination with the Departments of the Environment and Commerce, to conduct a study to assess the total cost of greenhouse gas emissions in the State and authorizes the Comptroller to hire a consultant to conduct the study. Requires that findings on the total assessed cost of greenhouse gas emissions in the State be reported on or before December 1, 2026.

SB 980 – Natural Resources – Maryland Heritage Areas Authority – Funding and Grants

Modifies the amount and use of funding transferred from Program Open Space to the Maryland Heritage Areas Authority (MHAA) Financing Fund by increasing from \$6M to \$12M the maximum amount authorized to be transferred and by modifying the amount that can be used for operating expenses. It also repeals authorization for noncapital historic preservation grants, limits certain grants from the MHAA Financing Fund to no more than \$300,000, and increases the percentage of project costs for which a grant from the MHAA Financing Fund may be awarded from up to 50% to up to 80%.

What Failed?

SB 91 / HB 35 - Economic Development - Income Tax Benefit Transfer Program - Establishment

Establishes the Income Tax Benefit Transfer Program within the Department of Commerce to allow eligible technology companies in the State with unused amounts of net operating loss subtraction modifications or income tax credits to transfer those tax benefits for use by other business taxpayers in the

State to assist in funding expenses incurred by the eligible technology companies in connection with operations in the State. Commerce, in consultation with the Comptroller, is administering the Program.

SB 324 / HB 997 - Admissions and Amusement Tax - Food and Beverages

Authorizes a county or a municipal corporation to impose the admissions and amusement tax on certain gross receipts derived from the sale of food or beverages for consumption on the premises and prohibits the imposition of the admissions and amusement tax on certain sales of food or beverages. It establishes a maximum tax rate of 3% that a county or a municipal corporation may set on the sale of food or beverages and provides that a certain combined maximum tax rate does not include a tax rate on the sale of food or beverages.

SB 325 / HB 1047 - Income Tax - Credit for Employers of Eligible Apprentices – Alterations

Alters the definition of "eligible apprentice" for purposes of a certain credit against the State income tax for the employment of certain eligible apprentices by repealing a certain wage requirement and extends the termination of the credit until June 30, 2031. The Act applies to taxable years beginning after December 31, 2024.

SB 340 / HB 17 - Internet Gaming - Authorization and Implementation

Authorizes the State Lottery and Gaming Control Commission to issue certain licenses to certain qualified applicants to conduct or participate in certain internet gaming operations in the State. It requires the Commission to regulate internet gaming and the conduct of internet gaming in the State. It also requires an internet gaming licensee to require individuals to provide proof of the registration in order to participate in Internet gaming.

SB 353 / HB 1434 - Food Deserts Workgroup – Establishment

Establishes the Food Deserts Workgroup to study and make recommendations regarding solutions to eliminate food deserts in the State. It requires the Workgroup to report its key findings and recommended solutions to eliminate food deserts by November 1, 2025, to the Governor and certain committees of the General Assembly.

SB 377 / HB 648 - Economic Development - Business Resource Initiative for Developmental Growth and Empowerment (BRIDGE) Program - Establishment

Establishes the Business Resource Initiative for Developmental Growth and Empowerment (BRIDGE) Program and Fund in the Department of Commerce to provide grants to certain business entities to establish certain business incubators.

SB 409 / HB 97 - Economic Development - County or Municipal Corporation Economic Development Authority - Powers and Use of Proceeds

Expands the acceptable names authorized for an economic development authority established by a county or municipal corporation and expands the powers of an authority, subject to limitations in the articles of incorporation of the authority and resolutions of the legislative body of a county or municipal corporation. It also provides that certain actions require prior approval of the legislative body of a county or municipal corporation under certain circumstances and expands the authorized uses of tax increment proceeds.

SB 477 / HB 1184 - Port of Deposit State Historical Park - Size and Scope

Alters the size and scope of the Port of Deposit State Historical Park and extends the deadline for the Bainbridge Development Corporation to transfer certain property to the Department of Natural Resources to June 1, 2026. It also alters the purpose for which a certain appropriation may be used.

SB 488 / HB 168 - Manufacturing Business Personal Property Tax – Exemption

Authorizes the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to exempt all personal property, including manufacturing inventory, in the possession of a person engaged in a manufacturing business that employs 50 or fewer employees from the personal property tax. The Act applies to all taxable years beginning after June 30, 2025.

SB 496 / HB 1038 - Department of Commerce - Complaint Portal and Annual Report

Requires the Department of Commerce to create and maintain a complaint portal for reporting when a governmental unit takes longer than 60 days to process an application for a license, form, certificate, certification, permit, or registration for a business or nonprofit organization. It requires the Department, by September 15, 2025, and each September 15 thereafter, to submit an annual report to certain committees of the General Assembly on the complaints filed through the portal.

SB 497 / HB 1120 - Department of Information Technology - Maryland OneStop - Required State, County, and Municipal Information

Requires the Department of Information Technology by December 1, 2025, and periodically thereafter, to update certain information available on the Maryland OneStop portal, the internet-based statewide licensing portal managed by the Department. It also requires, beginning on July 1, 2026, each county and municipal corporation, in coordination with the Department, to make certain information available on the portal. Each county and municipal corporation is required to periodically update certain information.

SB 754 / HB 693 - Commercial Financing - Small Business Truth in Lending Act

Regulates commercial financing transactions, including by establishing requirements related to certain disclosures, calculations of annual percentage rates, terms of repayments, and other related items, and the extension of specific offers.

SB 760 / HB 1439 - Better Small Business Employee Benefit Act of 2025

Exempts from certain requirements relating to offering health benefit plans to small employers in the State health benefit plans issued through a professional employer organization, coemployer, or other organization located in the State.

SB 883 - Post-Towing Procedure Workgroup – Establishment

Establishes the Post-Towing Procedure Workgroup to identify and examine issues relating to the establishment of statutory liens on motor vehicles that are towed or removed from privately owned parking lots under certain circumstances. It requires the Workgroup to report its findings and recommendations to the General Assembly by December 1, 2025.

SB 936 – Consumer Protection – High-Risk Artificial Intelligence – Developer and Deployer Requirements

Requires a certain developer of, and a certain deployer who uses, a certain high-risk artificial intelligence system to use reasonable care to protect consumers from known and reasonably foreseeable risks of certain algorithmic discrimination in a certain high-risk artificial intelligence system. It regulates the use of high-risk artificial intelligence systems by establishing certain requirements for disclosures, impact assessments, and other consumer protection provisions and authorizes the Attorney General to enforce the Act.

SB 903 - Data Centers - Fast Track Pass for Co-Location and Sales and Use Tax

Establishes an expedited certificate of public convenience and necessity review process for certain co-located energy generation projects that have received a fast track pass. It also establishes a Data Center Fast Track Advisory Committee in the Public Service Commission to facilitate the application for and reviewing of awarding fast track passes. It alters the requirements for qualified data center personal property to be eligible to be exempt from the sales and use tax.

SB 1034 - State Budget - Budget Bill - Executive and Legislative Powers

Proposes an amendment to the Maryland Constitution altering certain executive and legislative powers concerning the Budget Bill. It repeals certain provisions authorizing the Governor to approve, disapprove, or veto items in the Budget Bill and repeals provisions authorizing the General Assembly to amend certain items in enacting a balanced Budget Bill and submitting the amendment to the qualified voters of the State for adoption or rejection.

SB 1045 / HB 1554 - Sales and Use Tax - Taxable Business Services – Alterations

Alters the definitions of "taxable price" and "taxable service" for the purposes of certain provisions of law governing the sales and use tax to impose the tax on certain labors and services if both the provider of the service and the buyer are business entities. It also specifies the rate of the sales and use tax for certain labor and services.

HB 304 - State Procurement - Transparency and Procedures

Requires a unit of State government to provide a certain debriefing of a contract award to certain persons on request. It also requires each procurement contract to include a clause pertaining to certain contract modifications related to changes in law. It alters the time within which a written notice of a claim relating to a certain procurement contract shall be made from 30 to 60 days. It also alters the procedures for reviewing and making a certain determination related to a certain contract claim.

HB 454 - Digital Asset and Blockchain Technology Task Force - Establishment

Establishes the Digital Asset and Blockchain Technology Task Force to study and make recommendations regarding the use and regulation of blockchain technology and cryptocurrency in the State and requires the Task Force to report its findings and recommendations on or before October 1, 2026.

HB 823 - Generative Artificial Intelligence - Training Data Transparency

Requires a developer of a generative artificial intelligence system, on or before January 1, 2026, and before the developer releases or substantially modifies a certain generative artificial intelligence system, to publish on the developer's website documentation detailing the data used to train the generative artificial intelligence system.

HB 919 - State Tax Credits, Exemptions, and Deductions - Alterations and Repeal

Alters the termination dates of the Job Creation Tax Credit, Opportunity Zone Enhancement Program, research and development tax credit, biotechnology investment incentive tax credit, security clearance administrative expense tax credit, and cybersecurity technology and service tax credit. It terminates the One Maryland Economic Development Tax Credit Program on a certain date and alters the eligibility for a certain tax credit for certain qualified vehicles.

HB 1331 - Consumer Protection - Artificial Intelligence

Regulates the manner in which a developer or deployer of artificial intelligence must protect consumers from certain risks and requires a developer that offers to sell a certain artificial intelligence system to provide certain information and make certain disclosures. It requires a deployer to implement a certain risk management policy and take certain precautions to protect consumers from certain risks. It also requires a deployer to complete an impact assessment and make certain disclosures.

HB 1432 - Minority Business Enterprises - Coordination of Resources

Requires the Governor's Office of Small, Minority, and Women Business Affairs to coordinate with the Department of Commerce and the Office of the Comptroller to promote existing benefits and incentives, including tax incentives, grants, and technical assistance for minority business enterprises operating in

Enterprise Zones. It requires the Governor's Office of Small, Minority, and Women Business Affairs to include an analysis of the coordination efforts in the annual report for 3 years.

HB 1446 - Income Tax - Credit for Businesses Relocating From Another State (Come to Maryland Act)

Allows, for certain taxable years, a credit against the State income tax for a certain qualified business entity that relocates its headquarters and base of operations from another state to Maryland under certain circumstances. It requires the Department of Commerce to administer the tax credit and allows a qualified business entity to carry over any excess credit to the next taxable year. It establishes the Business Relocation Council to advertise the tax credit allowed under the Act.

HB 1545 - Board of Public Works - Comptroller - Delinquent Federal Funds

Authorizes the Comptroller, in consultation with the Board of Public Works, to withhold up to a certain amount of State payments to the federal government under certain conditions and authorizes the Board of Public Works to determine the federal government to be delinquent in federal funds owed to the State in the event of federal noncompliance with court decisions upholding congressionally approved spending.

HB 1557 - Program to Protect Individuals Unemployed or Furloughed Due to Federal Actions - Establishment

Establishes the Program to Protect Individuals Unemployed or Furloughed Due to Federal Actions. It requires a credit reporting agency to place an adverse information freeze on a qualified individual's record and establishes requirements and prohibitions for certain financial institutions. It prohibits a public service company from terminating electric or gas services to a qualified individual and requires a court to stay a foreclosure of a certain residential property. It requires the Department to administer the Program.