



## Maryland Tech Council Sine Die Final Session Report

The 449th Session of the Maryland General Assembly convened at noon on Wednesday, January 14, and adjourned at midnight on Monday, April 13. Unprecedented changes took place just prior to the start of the session, beginning with the election of Delegate Joseline Peña-Melnyk as Speaker of the House. Her selection prompted a significant reorganization of House leadership, committee structure, and committee assignments, creating a learning curve for legislators, staff, and lobbyists alike.

The number of standing committees increased from six to seven with the creation of the House Government, Labor, and Elections Committee, chaired by Delegate Melissa Wells, with Delegate Ken Kerr serving as vice-chair. The addition of a new committee redistributed subject matters across committees and reassigned members accordingly. For example, issues affecting business operations are now divided between the House Economic Matters Committee—which oversees unemployment insurance and general business regulation—and the House Government, Labor, and Elections Committee, which handles labor and employment matters, such as paid leave and workforce training programs. In addition, all seven standing committees saw changes in leadership, with new chairs, vice-chairs, or both, and an expansion in the number of subcommittees.

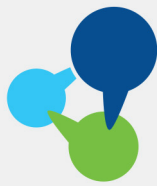
With the conclusion of the 2026 session, attention now turns to the upcoming elections. The primary election is scheduled for June 23, 2026, followed by the general election on November 3, 2026. In Maryland, all members of the General Assembly and statewide elected officials are up for reelection. Prior to adjournment, several legislators announced they would not seek another term, including Senator Pamela Beidle (D-32, Anne Arundel County), Chair of the Senate Finance Committee, and Delegate Bonnie Cullison (D-19, Montgomery County), Vice-Chair of the House Health Committee. As a result, these departures will not only bring new representation to their districts but will also necessitate shifts in legislative leadership.

The legislature passed the FY 2027 budget earlier in the session and with less controversy than has been typical in recent years. Maryland's operating budget is \$70.8 billion in total. This year, the Governor and the legislature had to address a \$1.5 billion deficit between expected revenues and expenditures. That deficit was closed through various budget fund transfers and some cuts, without new tax increases. Of note, the budget as passed includes \$2 million in operating funds in the Office of Strategic Industries and Entrepreneurship within the Department of Commerce to Maryland Tech Council (MTC) for BioHub Maryland.

Perhaps the most contentious policy debate this session was over SB 841/HB 1532: Utility RELIEF (Reducing Energy Loan Inflation for Everyday Families) Act (Passed), a comprehensive energy bill aimed at reducing energy costs and making other changes related to renewable energy, utility rate structure, and data center development. The bill's changes are expected to result in \$150 in annual savings for

ratepayers, but its legislative proponents argue that certain provisions will deliver additional savings. While House and Senate leadership jointly unveiled the energy plan, their approaches to several key issues varied as the bill was debated and other energy bills were folded into the RELIEF Act. Ultimately, the differences between the House and Senate approaches were ironed out through a conference committee and the bill received final passage on the final day of session. Of particular concern to MTC were the bill's various provisions related to data center development in Maryland. The key changes are as follows:

- Lowers the demand threshold for qualifying as a “large load customer”.
- Requires large users to pay for infrastructure upgrades needed to connect to the grid.
- Provides faster permitting for data centers that supply their own clean energy.
- Requires large load customers to register with the Public Service Commission (PSC) and report information about energy and water usage.
- Requires the PSC to post and update a map showing the approximate location of large-load customers.
- Requirements for data centers to hire in-state workers for construction and ongoing operations and provide interconnection capacity through behind-the-meter energy storage, purchasing capacity within the load zone or local delivery area, and demand response.
- Requires proactive engagement with local communities, local governments, and the state during planning, construction, and operation of the data center, and develop a publicly available plan for achieving the goals stated in the bill.
- Other key provisions of RELIEF include:
- Cuts to the EmPOWER energy efficiency program with the goal of passing savings to ratepayers
- Efforts to change utilities’ ability to use forecasted test years in rate setting, which will be banned for one pilot year while longer-term impacts are assessed.
- Eliminating the fee that utilities can charge for participating in the regional electric grid.
- Accelerating approvals for rooftop solar arrays.
- Financing for new solar arrays and battery storage.



# MARYLAND TECH COUNCIL

ADVANCING LIFE SCIENCES AND TECHNOLOGY

## Legislative Updates

### Life Sciences:

**HB 484:** *Corporate Income Tax – Addition Modification – Direct-to-Consumer Pharmaceutical Advertising (Failed)* and **SB987:** *Corporate Income Tax – Addition Modification – Direct-to-Consumer Pharmaceutical Advertising (Failed)* would have required an addition modification under the corporate income tax for the amount of any expenses deducted under the federal Internal Revenue Code for direct-to-consumer advertising of covered drugs. The MTC opposed this bill and it failed to receive votes in either the House or Senate committees.

**HB 637/SB 385:** *Public Health – Recommendations for Immunizations, Screenings, and Preventive Services – Pharmacist Administration and Required Health Insurance Coverage (The Vax Act) (Passed)* was a Governor's Administration bill and sought to decouple Maryland's vaccine recommendations from those of the federal Advisory Committee on Immunization Practices (ACIP). Under the bill, the Maryland Secretary of Health must issue recommendations for immunizations, screenings, and preventative services for all age groups based on guidance from certain major medical bodies. The MTC supported this bill because it helps to strengthen Maryland's life-sciences ecosystem by expanding access to vaccines and preventative care, and alignment with our mission to promote biotech, health innovation, and a strong public-health infrastructure.

**HB 666/SB 423:** *Research Facilities and Testing Facilities That Use Animals – Prohibitions and Adoption Requirements (Animal Research Modernization and Best Practices Act of 2026) (Passed)* passed but was amended to exclude biomedical research. The bill prohibits research and testing facilities from using any dog or cat that has undergone devocalization surgery for research or testing, performing devocalization surgery on any dog or cat, and euthanizing dogs or cats except by sodium pentobarbital injection. The bill also places limits on animal testing when alternatives exist and establishes mandatory adoption pathways for dogs and cats. The legislature did not take action on a similar bill - **HB 665/SB 422:** *Research Facilities and Testing Facilities That Use Animals – Adoption and Reporting Requirements (Failed)*.

**HB 813/SB 496:** *Maryland Medical Assistance Program – Coverage for the Treatment of Obesity – Authorization (Passed)* passed and authorizes, but not requires, Medicaid to provide comprehensive coverage for the treatment of obesity. Therefore, the bill creates a pathway for Medicaid coverage for certain GLP-1 drugs. There was discussion about the financial impact of coverage if Medicaid chooses to cover GLP-1's, but given support for their use, potential for other savings to the healthcare system through the treatment of obesity, and the fact that the bill is not mandatory, the legislature passed the bill.

MTC opposed two bills that would have had a detrimental impact on Maryland's biotech and life sciences industry - **HB1133:** *Public Health – Drug Manufacturer-Funded Disease Awareness Campaigns – Registration and Required Disclosure (Failed)* and **HB1134:** *Pharmaceutical Drugs and Devices – Gifts*

to *Health Care Professionals – Prohibition (Failed)*. The House Health Committee did not take any action on the bills after their hearings.

**HB1426/SB778: Clinical Research Pharmacies and Clinical Trials – Permits and Ownership (Passed)** passed and will establish a new clinical research pharmacy permit issued by the State Board of Pharmacy for pharmacies that exclusively compound, dispense, or distribute drugs in connection with FDA- or IRB- approved scientific research and clinical trials. The MTC supported this bill given its potential to strengthen Maryland’s clinical research infrastructure and opportunity for other meaningful economic benefits for the State.

MTC supported **HB1440/SB837: Maryland Medical Assistance Program and Health Insurance – Coverage and Utilization Review – Drugs Reviewed by the Prescription Drug Affordability Board (Failed)** and would have prohibited Medicaid and insurers from using utilization management practices like prior authorization or step therapy for drugs that have been reviewed by the Maryland PDAB. The rationale for the bill was that if the PDAB reviewed a drug without finding it unaffordable, or has recommended a UPL or other policy action, then patients should not then face additional insurer-imposed barriers to access. Neither the House or Senate committees took any action on the bills following their hearings.

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### **Data Centers:**

This session saw the introduction of numerous bills that would have impacted the data center development industry in the State, each of which is listed below. However, rather than consider each bill individually, the legislature used the RELIEF Act as the vehicle to enact new data center regulations in Maryland this year. None of the following bills introduced in the legislature this year received votes following their hearings.

- **HB 120: Moratorium on Construction of New Data Centers – Co-Location and Generation Contingency**
- **HB 78/SB547: Property Taxes – Authority of Counties to Establish Subclasses and Set Separate Rates for Land and Improvements to Land**
- **HB90/SB 224: Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property**
- **HB560: Sales and Use Tax and Property Tax – Exemptions for Data Centers – Repeal**
- **HB940/SB596: Large Load Customers – Electric System Interconnection and Demand Response Program**
- **HB1082: Large Load Customers – Data Centers and Rate Schedule Requirements**
- **HB1411: Data Center Planning and Transparency Act**
- **HB1534: Data Centers – Standards for Operation and Siting**



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- **HB1595/SB427:** *Property Taxes – Authority of Counties to Establish a Subclass and Set a Special Rate for Personal Property of Data Centers*
- **SB853:** *Economic Development Activity – Nondisclosure Agreements*
- **SB992:** *Public Utilities – Large Load Customers – Registration and Demand Response Program*
- **SB1000:** *Certificates of Public Convenience and Necessity and Construction of Data Centers*

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## Tech:

**HB 470/SB 376:** *Digital Asset and Blockchain Technology Task Force – Establishment (**Passed**)* passed and establishes a Digital Asset and Blockchain Technology Task Force to conduct an analysis on and make recommendations regarding the expansion of blockchain technology and cryptocurrency. The bills require a report by October 1, 2027.

**HB1355/SB 662:** *Financial Institutions – Payment Stablecoin Services – Establishment and Regulation (Maryland Stablecoin Act) (**Passed**)* passed and establishes a regulatory framework for “payment stablecoin service institutions” and “State issuers” in accordance with the federal GENIUS Act of 2025, and requires providers of stablecoin-related services in the State to be certified by the Office of Financial Regulation (OFR).

**HB1037/SB605:** *Public Service Commission – Broadband and Voice Over Internet Protocol Service – Oversight (Broadband Accountability and Affordability Act) (**Failed**)* was amended to require the PSC to conduct a study and make recommendations on the potential scope, structure, and implementation of PSC oversight of broadband service and voice over Internet protocol service. The bill as introduced would have required PSC oversight but was amended to a study through the legislative process. Despite the amendments, this bill failed to receive final approval from the legislature prior to the conclusion of session.

**HB895/SB387:** *Food Retailers and Third-Party Food Delivery Service Providers - Dynamic Pricing and Personal Data (Protection From Predatory Pricing Act) (**Passed**)* will prohibit food retailers and third-party delivery service providers from using personalized “dynamic pricing” based on a consumer’s personal data. This bill was an Administration bill introduced at the request of Governor Moore, but the topic of dynamic pricing became a priority of certain legislative leaders as well, including House Speaker Peña-Melnyk. The bill was initially amended by the House to incorporate a separate bill introduced by the Speaker (*HB 1475*) to impose new disclosure requirements on any merchant using algorithmic or data-driven pricing practices, requiring “clear and conspicuous” disclosures when personal data is used to set pricing. However, this disclosure language was eliminated in the final version of the bill. The bill will impose meaningful new compliance obligations and potential design constraints on retailers, e-commerce platforms, and other businesses operating in Maryland.

**HB952:** *Consumer Protection – Companion Chatbots – Regulation (Failed)* passed the House in a significantly amended form, however, it failed to make it out of the Senate Finance Committee. As originally drafted, the bill would have created a new consumer-protection framework for “companion

chatbots” that includes requirements for clear safety and transparency protocols. The bill was introduced in response to a growing concern that these tools may pose particular risks, especially to young people, when they emulate emotional relationships or interact with vulnerable people. MTC was generally supportive of the bill as introduced but changed our position to oppose it because the House amendments significantly broadened the scope beyond the bill's initial purposes. One of the most significant amendments added language stating that a companion chat is considered a product for purposes of product liability actions. The Senate Finance Committee discussed the bill but ultimately did not vote it out of committee prior to Sine Die.

**HB883: Consumer Protection – Artificial Intelligence – Behavioral Health Care Prohibitions (Failed)** passed the House, but the Senate Finance Committee did not take it up. The bill was intended to prevent AI tools from holding itself out to be a behavioral health care provider. As drafted, however, the bill seemed to apply more broadly to more common uses of AI.

The following are additional bills tracked by MTC this session that did not pass:

- **HB1250/SB827: Consumer Protection and Product Liability – Chatbots**
- **HB859/SB 759: Financial Institutions – Digital Assets and Digital Asset Staking – Regulation (Maryland Financial Innovation Act of 2026)**
- **HB1295/SB909: Vehicle Laws – Fully Autonomous Vehicles**
- **HB1220/SB616: Business Regulation – Data Broker Registry**
- **HB1089: Consumer Protection – Data Broker Registry – Establishment**
- **SB932: Consumer Protection – Social Media Platforms – Display of User Location**

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#### **Economic Development Incentives:**

**HB 487/SB 248: Maryland Technology Development Corporation – Investments – Alterations (Passed)** passed and will require the Maryland Technology Development Corporation (TEDCO) to adopt a process for considering remedies, including divestment, for investments in a business that no longer meets the definition of a qualified business. The MTC supported this bill as it brings TEDCO’s investment practices more in line with the practices of other types of private investment companies.

**HB933/SB644: Sales and Use Tax – Certificates Indicating Multiple Points of Use – Alterations (Passed)** passed and updates Maryland’s sales and use tax rules for businesses that purchase digital products, digital codes, or taxable services used across multiple states. The goal of the bill was to update and clarify Maryland’s tax rules for how businesses allocate tax on software, digital services, or similar purchases used in multiple states or locations.

**SB905: Maryland Technology Development Corporation – Maryland Advanced Manufacturing Grant Program – Established (Passed)** passed and establishes the Maryland Advanced Manufacturing Grant Program administered by TEDCO. The purpose of the program is to support the growth of companies specializing in regenerative medicine and other advanced manufacturing.

**HB898/SB 388: Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act (Passed)** was a Governor’s Administration bill and generally enhances, alters, and transfers various economic development programs and tax credits. The changes in the bill include extending the Job Creation Tax Credit by 5 years, transferring the Regional Institution Strategic Enterprise (RISE) Zone program to MEDCO, exempting from the sales and use tax certain data and information technology services, digital codes, and digital products if both the vendor and buyers are members of the same affiliated group, extending the Research and Development Tax Credit program through 2030, renaming the Economic Development Opportunities Program Account to be the Strategic Closing Fund and relocating it to the Department of Commerce, increasing the amount of financial assistance through the Maryland Economic Development Assistance Authority and Fund (MEDAAF) from \$2.5 million to \$5 million, and other changes.

**HB1596/SB763: Maryland Technology Development Corporation – Maryland Growth Initiative – Established (Passed)** establishes the Maryland Growth Initiative inside TEDCO to support the growth of start-up companies in the State. The bill also establishes the Maryland Growth Initiative Fund with a mandated appropriation beginning in FY 2028. TEDCO must administer the fund with the purpose of providing post-seed and Series A funding to qualified businesses in the State to scale up without needing to relocate.

MTC tracked several other bills related to economic development incentives, tax credits, and programs, but did not pass this year:

- **HB 290/SB 25: Income Tax – Cybersecurity Technology and Service Tax Credits – Alterations**
- **HB 400/SB 247: Biotechnology Investment Incentive Tax Credit – Conversion to Grant Program**
- **SB600: Sales and Use Tax – Definition of Retail Sale – Alterations**
- **SB826: Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology**

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**Other:**

The legislature passed **HB870: Environment – Permit Applications for New Buildings – Notice (Large Buildings for Tomorrow Act) (Passed)**, which was amended to require a county or municipality to post certain information about new buildings of 35,000 square feet or more, including the proposed building type, the energy sources planned for use in the proposed building, and other basic information. As originally drafted, the bill would have required new buildings to meet strict building energy use performance standards but was amended into the local government reporting requirement.