

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 136
Finance

(Senators Kramer and Bailey)

Government, Labor, and Elections

Collective Bargaining - Alcohol, Tobacco, and Cannabis Commission - Police
Officers

This bill expands the applicability of the State employees collective bargaining law to include police officers of the Alcohol, Tobacco, and Cannabis Commission (ATCC) who in an official capacity are authorized to make arrests and are not a supervisory, managerial, or confidential employee. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Any additional expenditures resulting from the bill are presumed to be minimal and can be absorbed within ATCC's existing budget, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Public Employee Relations Board (PERB) oversees collective bargaining for certain public employees in Maryland. For information on State employees and the collective bargaining process, please see **Appendix – State Employees and Collective Bargaining**.

Establishment of the Alcohol, Tobacco, and Cannabis Commission and Its Predecessor

Chapter 12 of 2019 established the Alcohol and Tobacco Commission (ATC, the predecessor to ATCC), beginning June 1, 2020, (Chapter 359 of 2020 delayed the effective date to January 1, 2021) and transferred personnel, powers, duties, and responsibilities that relate to the regulation of alcoholic beverages and tobacco from the Comptroller (specifically the Field Enforcement Division (FED)) to ATC. Chapter 12 specified that all duties and responsibilities associated with FED's alcoholic beverages and tobacco regulation functions must continue under ATC. Additionally, Chapter 12 stated that employees transferred retain any merit system and retirement status they may have on the date of transfer and must be transferred without any change or loss of pay, working conditions, benefits, rights, or status. Chapters 254 and 255 of 2023 (Cannabis Reform Act) reconstituted ATC as ATCC and clarified the powers and duties of ATCC related to alcohol, tobacco, and cannabis regulation and enforcement.

After Chapters 581 and 582 of 2012 extended collective bargaining rights to the Comptroller's Office, sworn law enforcement officers in FED were represented by the State Law Enforcement Officers Labor Alliance (SLEOLA). However, as current law does not explicitly apply collective bargaining rights to employees of ATCC, ATCC police officers hired after the FED transfer to ATC are not eligible for collective bargaining. These ATCC police officers stopped being represented by SLEOLA beginning in fiscal 2026 when the Department of Budget and Management (DBM) informed ATCC that these employees are not eligible for collective bargaining.

State Expenditures: Authorizing up to 30 ATCC police officers to be covered by SLEOLA minimally increases the number of bargaining eligible members of SLEOLA. PERB can accredit eligible ATCC police officers into SLEOLA with existing resources. Once ATCC police officers join SLEOLA, they are eligible for the SLEOLA medical insurance benefits plans, likely beginning with the anticipated plan year effective January 1, 2027. DBM reports that as these officers were inadvertently treated as SLEOLA members until recently, there would be minimal fiscal impact on the State and there would be minimal impact on the operations of bargaining with SLEOLA. ATCC notes that salaries and increments of ATCC police officers have been comparable to SLEOLA members. Thus, any impact can be absorbed within ATCC's existing budget. Additionally, the Office of Administrative Hearings can hear any additional grievances stemming from the bill with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Alcohol, Tobacco, and Cannabis Commission; Department of Budget and Management; Public Employee Relations Board; Office of Administrative Hearings; Department of Legislative Services

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Appendix – State Employees and Collective Bargaining

Title 3 of the State Personnel and Pensions Article establishes statutory collective bargaining rights for a large number of State employees. Title 3 authorizes the State, State institutions of higher education, and the Maryland Environmental Service (MES) to meet and confer with exclusive employee representatives about negotiable terms.

Except for the collective bargaining process for uniformed fire employees of the Baltimore-Washington International Thurgood Marshall Airport Fire and Rescue Department (BWI Fire/Rescue), Title 3 does not provide for binding arbitration but does allow fact finding in the event of an impasse. Employees, employers, and exclusive representatives subject to Title 3 are also subject to the provisions of the Maryland Public Employee Relations Act.

Maryland's collective bargaining law generally applies to employees of the principal Executive Branch departments, the Maryland Insurance Administration, the State Department of Assessments and Taxation, the State Lottery and Gaming Control Agency, the University System of Maryland (USM), the Office of the Comptroller, the Maryland Transportation Authority (MDTA) (for those who are not police officers), the State Retirement Agency, the Maryland State Department of Education, MES, the Office of Public Defender, the Maryland School for the Deaf, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC), along with specified firefighters for the Martin State Airport and all full-time MDTA police officers at the rank of first sergeant and below.

The State's collective bargaining law does not apply to:

- Maryland Transit Administration (MTA) employees;
- Legislative and Judicial Branch personnel;
- elected and appointed officials;
- the Governor's and Lieutenant Governor's staff;
- an employee assigned to, or with access to records of, the Public Employee Relations Board;
- special appointees and executive service personnel in the State Personnel Management System (SPMS);
- senior administrators, faculty members, student employees, and other designated employees of USM, MSU, SMCM, or BCCC;
- the chief, deputy, or assistant administrator of a unit with an independent personnel system;

- temporary or contractual employees in SPMS;
- temporary, contractual, or emergency employees in a unit of the Executive Branch with an independent personnel system;
- an employee who is entitled to participate in collective bargaining under another law;
- an employee whose participation in a labor organization is contrary to the State's ethics laws;
- any managerial or confidential employee of specified units of State Government as defined by regulation; and
- any supervisory, managerial, or confidential employee of USM, MSU, SMCM, or BCCC.

Bargaining Process

The parties must meet at reasonable times and engage in collective bargaining in good faith, as specified. The parties must make every reasonable effort to conclude negotiations in a timely manner for inclusion by the principal unit in its budget request to the Governor, and they must conclude negotiations by January 1 for any item requiring an appropriation of funds for the fiscal year that begins on the following July 1. The Governor must include in the annual budget bill submitted to the General Assembly any amounts in the budgets of the principal units required to accommodate any additional cost resulting from the negotiations for the fiscal year beginning the following July 1, including the actuarial impact of any required legislative changes to any of the State pension or retirement systems, if the legislative changes have been negotiated to become effective in that fiscal year.

Generally, if the parties do not conclude negotiations for the next fiscal year before October 25, either party may request that a fact finder be employed to resolve the issues. The fact finder must be employed no later than November 1 and must be a neutral party appointed by alternative striking from a list provided by the Federal Mediation Conciliation Service or under the Labor Arbitration Rules of the American Arbitration Association. The fact finder may give notice and hold hearings in accordance with the Administrative Procedure Act, administer oaths and take testimony and other evidence, and issue subpoenas. Before November 20, the fact finder must make written recommendations regarding wages, hours, and working conditions and any other terms or conditions of employment that may be in dispute. The written recommendations of the fact finder must be delivered to the Governor, the exclusive representative, the President of the Senate, and the Speaker of the House of Delegates by December 1.

Memoranda of Understanding

All matters of agreement reached by the parties must be incorporated into a memorandum of understanding (MOU). No MOU is valid if it extends for less than one year or longer than three years. An MOU is not effective until it is ratified by the Governor (or, in the case of a State higher education institution or MES, ratified by the higher education institution's governing board or the Board of Directors of MES, respectively) and a majority of the votes cast by employees in the bargaining unit. Any matters in the MOU that require legislative changes are subject to the approval of the General Assembly.

Matters to Be Negotiated

Collective bargaining must include any matters relating to wages, hours, and terms and conditions of employment. The State is not required to negotiate any matter that is inconsistent with State law; however, the State may negotiate such matters as long as the parties understand that the item cannot become effective until the General Assembly takes action. The General Assembly, however, is not bound by the agreement.

Binding Arbitration – Baltimore-Washington International Thurgood Marshall Airport Fire and Rescue and Maryland Transit Administration

Chapters 653 and 654 of 2025 altered the collective bargaining process for uniformed fire employees of BWI Fire/Rescue by establishing binding arbitration in the event of an impasse in negotiations, though an arbitrator's decision related to wages is subject to the limitations of the State budget.

Additionally, § 7-602 of the Transportation Article provides for binding arbitration in disputes between MTA and MTA employees relating to wages, salaries, hours, or other working conditions; benefits; grievances; or collective bargaining agreements, as specified. If a labor dispute between MTA and employees represented by an accredited representative does not result in agreement, MTA must submit the dispute to a three-member arbitration board. A majority determination of the board is final and binding on all disputed matters.