



Senate Bill 853

Economic Development Activity - Nondisclosure Agreements

MACo Position: **OPPOSE**

To: Education, Energy, and the Environment and
Finance Committees

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From: Karrington Anderson

The Maryland Association of Counties (MACo) **OPPOSES** SB 853. This bill would prohibit an individual, governing body, legislator, or employee from entering into a nondisclosure agreement (NDA) with a person involved in an economic development activity.

NDAs are legally binding contracts that create a confidential relationship between parties to protect sensitive, proprietary, or competitive information from public disclosure. In the economic development context, these agreements are not unusual. Counties may execute NDAs when working with prospective businesses for economic development.

By broadly prohibiting the use of NDAs in economic development activity, SB 853 would materially undermine local business attraction and retention efforts. Businesses considering relocation or expansion often evaluate multiple states simultaneously. If Maryland is unable to offer the same confidentiality protections as competing states, companies may simply choose not to engage here. The result could be fewer opportunities for job creation, capital investment, and local tax base growth.

Counties share the State's commitment to transparency and accountability. However, economic development negotiations frequently require confidentiality at preliminary stages to protect both the business and the public interest. Once projects are finalized, many aspects appropriately become public through existing disclosure and procurement requirements. A blanket prohibition on NDAs removes a practical tool without regard to context or competitive realities.

Economic development strategies vary by region, industry, and local market conditions. Decisions about when and how to use confidentiality agreements should remain a local operational choice.

For these reasons, MACo urges an **UNFAVORABLE** report on SB 853.