

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 177 (Chairman, Commerce and Government Matters Committee)  
(Departmental - Human Relations Commission)

Commerce and Government Matters

Referred to Judicial Proceedings

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**Maryland Human Relations Commission - Hearings - Relief**

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This amended, departmental bill clarifies and alters procedures with regard to hearings and relief under the Human Relations Commission law, including expanding relief from employment discrimination. An Administrative Law Judge may award no more than \$50,000 in compensatory damages to the complainant, and any other equitable relief that is deemed appropriate. The bill provides that specified documents must be certified to the general counsel of the Human Relations Commission. The Executive Director, rather than the Chairman, must cause specified notices to be issued and served to a respondent to answer charges of a complaint of acts of discrimination. The payment of back pay is limited to 36 months.

Finally, the bill gives the commission jurisdiction over employers with one or more employees. Under current law, the Human Relations Commission does not have jurisdiction over employers with less than 15 employees.

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**Fiscal Summary**

**State Effect:** None. Any increase in the workload of the Human Relations Commission could be handled with existing budgeted resources as discussed below.

**Local Effect:** None.

**Small Business Effect:** The Human Relations Commission has determined that this bill has minimal or no impact on small business (attached). Fiscal Services disagrees with this assessment as discussed below. (The attached assessment does not reflect amendments to the bill.)

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**Fiscal Analysis**

**State Effect:** The Human Relations Commission anticipates, based on the number of inquiries received annually, a 20% increase in the number of cases it would have to investigate each year (185 additional cases). This workload increase can be handled with existing budgeted resources.

In fiscal 1996, the Human Relations Commission received a total of 2,013 employment discrimination cases. Of this number, a total of 926 cases were investigated by the Human Relations Commission, 29 of which were certified for a public hearing, and five of which had a decision rendered by the Office of Administrative Hearings (OAH). Approximately 54% (1,087) were returned to the Equal Employment Opportunity Commission (EEOC) because the cases involved federal issues.

A significant number of the cases received by the Human Relations Commission are settled prior to a final decision being rendered by OAH. Based upon a 20% increase in number of cases that were certified for a public hearing by the Human Relations Commission or had a decision rendered by OAH in fiscal 1996, it is assumed that six additional cases could be certified to the OAH, and that one additional case could go to a final decision by OAH as a result of the bill's provisions regarding the jurisdiction of the commission.

**Small Business Effect:** The bill specifies that Administrative Law Judges can order compensatory damages (up to \$50,000) and alters the application of the 36 month time limit from all monetary damages to just back pay. Under current practice, small businesses with less than 15 employees are subject to unlimited liability in the form of specified forms of injunctive relief, including compensatory and punitive damages. These changes could decrease the liability of small businesses with less than 15 employees involved in discrimination cases where the employee prevails.

The bill also extends the jurisdiction of the Human Relations Commission from businesses with more than 15 employees to those with more than one employee. Small businesses with fewer than 15 employees would be relieved of going to court, paying court costs, and filing fees to defend unlawful employment practice lawsuits.

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**Information Source(s):** Human Relations Commission, Office of Administrative Hearings,  
Department of Fiscal Services

**Fiscal Note History:** First Reader - February 24, 1997  
brd Revised - Correction - February 26, 1997  
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