

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1413 (Delegates Behler and J. Lewis)  
 Economic Matters

**Labor and Employment - Employer Communications During Nonworking Hours  
 - Right to Disconnect**

This bill requires an employer, including a unit of State or local government, to establish a policy that provides employees the right to ignore communications from the employer during nonworking hours and establishes nonworking hours by written agreement between the employer and the employee. An employer may not require that an employee communicate with the employer during nonworking hours in accordance with the policy except under special circumstances. The bill does not apply to an employee covered by a collective bargaining agreement. In response to a written complaint from an employee, the Commissioner of Labor and Industry must enforce the bill’s requirements.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$200,800 in FY 2026 for the Maryland Department of Labor (MD Labor) to enforce the bill. Out-year expenditures reflect annualization and ongoing costs. State expenditures (all funds) may increase from the State as an employer being subject to penalties, along with potential operational impacts. General fund revenues increase modestly due to fines imposed on employers.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	-	-	-	-	-
GF Expenditure	\$200,800	\$142,100	\$148,300	\$154,700	\$161,000
GF/SF Exp.	-	-	-	-	-
NonBud Exp.	-	-	-	-	-
Higher Ed Exp.	-	-	-	-	-
Net Effect	(\$200,800)	(\$142,100)	(\$148,300)	(\$154,700)	(\$161,000)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local government expenditures may increase beginning in FY 2026. The bill may also lead to an increase in circuit court filings.

**Small Business Effect:** Meaningful.

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## **Analysis**

**Bill Summary:** An employer may require that an employee communicate with the employer during nonworking hours regarding a change to the employee's schedule that occurs within 24 hours before the change is to take effect or if there are specified unforeseen or emergency situations.

If an employer violates the bill, an employee may file a complaint with the Commissioner of Labor and Industry within MD Labor, and upon receipt of a written complaint, the commissioner must try to resolve the issue informally or determine whether the employer has violated the bill. If applicable, the commissioner must issue orders and, in the commissioner's discretion, assess civil penalties, which are subject to the State's notice and hearing requirements. If the employer fails to comply with an order, the commissioner may bring an action to enforce the order and civil penalty in the circuit court where the employer is located.

**Current Law:** Maryland does not have a general statute or regulation governing communications between employers and employees during nonworking hours.

In general, an employee in a retail establishment may choose a day of rest unless the employee is a managerial, professional, or part-time employee; Wicomico County allows part-time employees to choose a day of rest. An employee who desires a day of rest must provide the employer with written notice. While employed, the individual may change the day of rest by giving written notice to the employer at least 30 days prior to its effective date. If an employer compels an employee to work on his or her day of rest, the employee is entitled to bring a civil action against the employer to recover three times the regular rate of pay for the hours worked on that day. An employer may not discharge, discipline, discriminate against, or otherwise penalize an employee who chooses a day of rest. An employer also may not require an applicant who seeks a work week of at least 25 hours to answer any question that identifies the applicant's desired day of rest. An employer who violates the day of rest provisions is guilty of a misdemeanor and is subject to a fine of between \$250 and \$500. In Wicomico County, an offender is fined \$500 for the first offense and \$1,000 for each subsequent offense.

**State Revenues:** General fund revenues may increase modestly from penalties paid by employers who are found by MD Labor to be in violation of the bill.

**State Expenditures:** Given the number of employees potentially affected by the bill, MD Labor expects about 2,000 complaints in the initial period after enactment, of which

about 500 require investigations. MD Labor cannot absorb the additional workload within existing resources and needs additional employees to respond to the increase in inquiries and complaints prompted by the bill. MD Labor anticipates a higher volume of inquiries and complaints in the initial months of implementation, so contractual employees are needed in fiscal 2026 only to assist with the volume of inquiries.

Thus, general fund expenditures increase by \$200,835 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring two regular wage and hour investigators and one full-time and one half-time contractual wage and hour investigator to respond to inquiries, investigate complaints, and enforce the bill’s requirements. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Regular Positions	2.0
Contractual Positions	1.5
Regular Salaries and Fringe Benefits	\$102,536
Contractual Salaries and Fringe Benefits	59,867
Operating Expenses	<u>38,432</u>
<b>Total FY 2026 State Expenditures</b>	<b>\$200,835</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses and elimination of contractual employees after the first year.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

The bill creates a new case type of contested hearings delegated to the Office of Administrative Hearings (OAH). OAH can handle an increase in cases with existing resources. Additionally, OAH notes that it needs to train administrative law judges on substantive aspects of the bill, which it can do with existing resources.

*The State as an Employer*

There are approximately 20,000 positions, including contractual and temporary positions, within the State Personnel Management System that are not covered by collective bargaining agreements, in addition to managers and executive service employees. Thus, the bill increases the workload for the Department of Budget and Management (DBM) to determine working hour policies and negotiate policies as needed for these employees. DBM also notes that it will need to analyze any impacts of the bill on on-call pay, shift differentials, and overtime.

Other State agencies with independent personnel systems have similar effects and may also incur expenses to train employees on the new policy. For example, the Maryland Department of Transportation estimates Transportation Trust Fund expenditures increase by \$200,000 in fiscal 2026 to contract with a consultant to establish a training module, and the University System of Maryland notes the bill requires significant training and may have a significant operational and fiscal impact.

Additionally, State expenditures (all funds) may increase beginning in fiscal 2026 to pay civil penalties levied against the State as an employer.

**Local Expenditures:** Local governments with employees not covered by a collective bargaining agreement must comply with the bill and are subject to the bill's penalties. Thus, local government expenditures may increase beginning in fiscal 2026 from the operational impact of the bill and from assessed fines if they are noncompliant.

For example, the City of Annapolis estimates that the bill creates a significant burden to develop agreements for 155 city employees who are not represented by unions and may have an operational impact on how the city conducts various meetings and general public engagement.

The commissioner may bring an action to enforce the order and civil penalty in the circuit court in the county where the employer is located, which may increase circuit court filings.

The Judiciary reports this has an unknown impact on the courts, although it likely does not materially affect the finances of the circuit courts.

**Small Business Effect:** Small businesses whose employees are not covered under a collective bargaining agreement must establish a policy permitting those employees to ignore their communications during nonworking hours. They must also enter into agreements with employees on a policy of nonworking hours. Small businesses who fail to comply may be subject to investigation and penalties ranging from \$300 for first instance violations per employee and \$600 for subsequent violations.

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### **Additional Information**

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

**Designated Cross File:** None.

**Information Source(s):** Baltimore, Carroll, Harford, Queen Anne's, and St. Mary's counties; City of Annapolis; Maryland Municipal League; Judiciary (Administrative Office of the Courts); University System of Maryland; Department of Budget and Management; Maryland Department of Labor; Maryland Department of Transportation; Department of Legislative Services

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