



NFIB-Maryland – 60 West St, Ste. 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: House Economic Matters Committee

FROM: NFIB – Maryland

DATE: March 10, 2019

RE: **OPPOSE HOUSE BILL 1448** – Commissioner of Labor and Industry – Classification of Employees and Independent Contractors – Guidelines

On behalf of Maryland's small businesses, NFIB-Maryland opposes House Bill 1448 – legislation requiring new certifications and more filings with the State Department of Assessments and Taxation (SDAT). Companies failing to file this new paperwork may not be considered in good standing with SDAT. The Commissioner of Labor and Industry is also required to work with the Attorney General in creating guidelines which explain the definitions of "employer," "employee," "employ," and "independent contractor."

The information included in the new guidelines required by §3-105 can be found on the Department of Labor's website and can also be requested by employer and employee alike. NFIB feels such guidelines would be unnecessary and redundant.

Further Maryland's Workplace Fraud Act already includes strict guidelines in determining an employer-employee relationship and whether or not that employee can be classified as an independent contractor.

As indicated in the bill's fiscal and policy note, the Department of Labor found that only one percent of employees they interviewed were misclassified as independent contractors in fiscal 2019.

For these reasons **NFIB opposes HB1448** and requests an unfavorable committee report.