

Chairman C.T. Wilson
Economic Matters Committee

Dear Chairman C.T. Wilson and Members of the House Economic Matters Committee,

HB0465 elevates the maximum penalties for intentional violations of misclassification, wage theft, workers' compensation fraud, unemployment insurance fraud, federal FICA withholding fraud, and establishes referrals to both state and federal agencies in such cases.

HB0465 will establish criminal penalties for employers knowingly failing to properly classify individuals as employees, and for contractors and subcontractors that knowingly violate State prevailing wage laws. In addition, it would require the Commissioner of Labor and Industry to refer complaints that allege violations of tax laws under certain circumstances to the correct administrative authorities.

Currently, penalties for these offenses differ based on whether the victim is an individual worker or the State of Maryland. The bill aims to align penalties for wage theft and payroll fraud, elevating the former to a misdemeanor with potential imprisonment and fines up to \$5,000. HB0465 will ensure that our workers are protected from wage theft. That is why I strongly urge a favorable report on HB0465.

Thank you,

Delegate Adrian Bofo