



The Voice of Merit Construction

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To: Senate Finance Committee

From: Associated Builders & Contractors

RE: SB 38 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information

Position: Unfavorable

Associated Builders and Contractors (ABC) represent more than 1500 construction and construction-related companies through its four Maryland chapters. Our members believe in the tenets of free enterprise, investing in their workforce and giving back to the communities in which they live, work and play.

Senate Bill 38 expands information that an employer must give to an employee for each pay period. If an employer fails to provide the information required under the bill, an employee or the Attorney General may bring an action against the employer. Under specified conditions, the court may order injunctive relief, liquidated damages of \$100 for each workweek in which the violation occurred, up to \$5,000, and reasonable counsel fees and costs.

ABC is opposed to SB 38, while we understand the intention behind the bill to enhance transparency in the employer-employee relationship, we believe that the proposed expansion of information requirements imposes an undue burden on businesses, particularly those in the construction industry. Requiring additional details for each pay period creates administrative complexities, leading to increased costs for employers. Small and medium-sized businesses, already grappling with various challenges, may find it challenging to comply with these expanded reporting obligations.

Moreover, the provision allowing employees or the Attorney General to bring legal action against an employer may inadvertently encourage frivolous lawsuits, placing an unnecessary strain on the legal system. This may lead to an influx of cases that could be resolved through alternative, less burdensome means. The prescribed penalties, including injunctive relief, liquidated damages, and counsel fees, seem disproportionate and may act as a deterrent to entrepreneurship. Imposing a maximum penalty of \$5,000 per violation, along with additional costs, could disproportionately impact smaller construction businesses and hinder their ability to remain competitive in the market.

ABC appreciates your consideration and, for these reasons, respectfully requests a **unfavorable** report on Senate Bill 38.

*Martin "MJ" Kraska
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