

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 602 (Delegate Curran)
Commerce and Government Matters

**Human Relations Commission - Discrimination in Employment - Private
Causes of Action**

This bill provides that an employee may bring a private cause of action involving discrimination in employment against an employer with fewer than 15 employees. The circuit court with jurisdiction over the employer is authorized to provide specified forms of relief, but may not award any additional compensatory or punitive damages.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental finances.

Local Effect: None. Any increase in the workload of the Judiciary could be handled with existing budgeted resources.

Small Business Effect: Potential meaningful effect on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: In Molesworth v. Brandon (672 A.2d 608, 341 Md. 621), the Court of Appeals of Maryland held that in an action for wrongful discharge based on sex discrimination, “while Article 49B (Human Relations Commission) exempts small businesses from its burdensome administrative requirements, there is no reason to construe the article as exempting small businesses from its anti-discrimination policy.” As such, small businesses with less than 15 employees are subject to unlimited liability as to specified forms of injunctive relief, including compensatory and punitive damages.

An employer found liable in a discrimination case is subject to the reinstatement or hiring of employees, with or without back pay, or any other equitable relief that is deemed appropriate.

For employer's with less than 15 employees, this bill specifically disallows awards for other compensatory or punitive damages. This would significantly reduce the costs these small businesses could incur if an employee prevails in a discrimination case.

Further, to the extent that an individual who had been discriminated against in his place of employment chooses to retain an attorney and file a private cause of action, the bill could have a minimal effect on small or single person law firms.

Information Source(s): Judiciary (Administrative Office of the Courts), Human Relations Commission, Department of Fiscal Services

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