

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1066 (Delegate Wood. *et al.*)

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 for wrongful discharge against an employer with fewer than 15 employees. The lawsuit must be brought within 180 days of the employer's discharge of the employee. A court is authorized to provide specific forms of relief, but may not award compensatory or punitive damages.

Fiscal Summary

State Effect: None. This bill codifies a common law cause of action, limits a plaintiff's relief in court, and adjusts the statute of limitations. Therefore, the bill would not affect the workload of the Judiciary or the Human Relations Commission (MHRC).

Local Effect: None.

Small Business Effect: Meaningful effect.

Fiscal Analysis

Small Business Effect: The MHRC does not have jurisdiction over employers with less than 15 employees. However, in Molesworth v. Brandon (1996), the Maryland Court of Appeals held that an at-will employee of an employer with less than 15 employees has a common law cause of action for wrongful discharge. In effect, small employers are exposed to greater liability than large employers. First, employees of small businesses may assert their claims in State court without first filing a claim with the MHRC, as employees of large businesses are required to do pursuant to the Fair Employment Practices Act. Second, employees of small businesses may recover compensatory damages in the courts while

employees of large businesses may not recover compensatory damages in the administrative process. Third, employees of small businesses have a longer statute of limitations under a common law claim.

This bill would alter the statute of limitations and relief available at law so that employers sued in the courts are not exposed to greater liability than employers sued in the administrative process. Large firms are not exposed to compensatory damages in the administrative process and this bill would prohibit employees of small businesses from recovering compensatory damages in the courts. Thus, the form of relief available to a plaintiff claiming employment discrimination would not be a function of firm size. Small employers would benefit from reduced liability exposure. Small businesses would also benefit from a shorter statute of limitations.

Information Sources: Human Relations Commission; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 20, 1998

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