

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1476 (Delegate Woorman, *et al.*)
 Economic Matters

Labor and Employment - Disclosure of Employee's Immigration Status - Prohibition

This bill prohibits an employer from disclosing or threatening to disclose an employee’s immigration status to a public body for the purpose of concealing an employer’s violation of specified labor and tax laws. The bill specifies investigative and penalty procedures for the Commissioner of Labor and Industry, which includes assessing civil penalties. An employer may request a hearing as specified.

Fiscal Summary

State Effect: General fund expenditures increase by \$66,800 in FY 2026 for the Maryland Department of Labor (MD Labor) to enforce the bill. Out-year expenditures reflect annualization and elimination of one-time start-up costs. General fund revenues increase minimally due to fines imposed on employers.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	-	-	-	-	-
GF Expenditure	\$66,800	\$78,000	\$81,400	\$85,000	\$88,400
Net Effect	(\$66,800)	(\$78,000)	(\$81,400)	(\$85,000)	(\$88,400)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local governments.

Small Business Effect: Minimal.

Analysis

Bill Summary: A public body means the federal government, the State, a political subdivision of the State, an entity created by the General Assembly, or an instrumentality or unit of the federal government, the State, or a political subdivision of the State.

An employer may not disclose or threaten to disclose an employee's immigration status to a public body for the purpose of concealing an employer's violation of the following:

- Maryland Wage and Hour Law;
- Maryland Wage Payment and Collection Law;
- Workplace Fraud Act;
- Maryland Healthy Working Families Act;
- Maryland Unemployment Insurance Law;
- Maryland Family and Medical Leave Insurance (FAMLI) Program;
- Maryland Workers' Compensation Act;
- specified Prevailing Wage and Living Wage laws; and
- income tax laws.

The Commissioner of Labor and Industry may conduct an investigation under the bill on the commissioner's own initiative or on receipt of a written complaint.

Within 90 days of receiving a written complaint, the commissioner must investigate and attempt to resolve the issue informally through mediation. If the issue is not resolved through mediation and the commissioner determines that an employer has violated the bill, the commissioner must assess a civil penalty as specified, which increases for recurring violations. The civil penalty is subject to the State's hearing and notice requirements, and for a violation involving unemployment insurance, it is subject to the Board of Appeals of MD Labor.

Current Law: Chapter 207 of 2024 prohibits employers from taking or threatening to take adverse action against employees who take specified actions relating to the following laws:

- Employment of Minors;
- Equal Pay for Equal Work;
- Maryland Wage and Hour;
- Maryland Wage Payment and Collection;
- Workplace Fraud; and
- Living Wage.

MD Labor advises that disclosing or threatening to disclose a worker's immigration status would constitute an "adverse action" under Chapter 207. The Healthy Working Families Act and the FAMLI program have anti-retaliation provisions that are similar to Chapter 207. The prevailing wage laws and Workers Compensation Act also have anti-retaliation provisions.

State Revenues: General fund revenues may increase minimally from penalties paid by employers who are found by MD Labor to be in violation of the bill.

State Expenditures: With an estimated 200,000 undocumented workers living in the State, MD Labor advises that it cannot absorb the additional workload within existing resources and needs an additional employee to respond to the increase in inquiries and complaints prompted by the bill. Thus, general fund expenditures increase by \$66,801 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring one civil rights investigator to investigate complaints and enforce the bill’s requirements. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$56,754
Operating Expenses	<u>10,047</u>
Total FY 2026 State Expenditures	\$66,801

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

The bill creates a new case type of contested hearings delegated to the Office of Administrative Hearings (OAH). OAH can handle an increase in cases with existing resources. Additionally, OAH notes that it needs to train administrative law judges on substantive aspects of the bill, which it can do with existing resources.

The bill is not anticipated to materially affect the State as an employer.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Municipal League; University System of Maryland; Department of Budget and Management; Maryland Department of Labor; Maryland Department of Transportation; Office of Administrative Hearings; Department of Legislative Services

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