

HOUSE BILL 203

K3

6lr0867

(PRE-FILED)

By: **Delegate Vogel**

Requested: September 17, 2025

Introduced and read first time: January 14, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Training Repayment Agreements – Prohibition**

3 FOR the purpose of prohibiting employers from requiring, as a condition of employment,
4 employees or prospective employees to enter into training repayment agreements;
5 providing that an agreement that constitutes a training repayment agreement is null
6 and void as being against the public policy of the State; and generally relating to
7 training repayment agreements.

8 BY repealing and reenacting, without amendments,
9 Article – Labor and Employment
10 Section 3–103(a)
11 Annotated Code of Maryland
12 (2025 Replacement Volume)

13 BY adding to
14 Article – Labor and Employment
15 Section 3–103(e)(7) and 3–718
16 Annotated Code of Maryland
17 (2025 Replacement Volume)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Labor and Employment**

21 3–103.

22 (a) Except as otherwise provided in this section, the Commissioner may conduct
23 an investigation to determine whether a provision of this title has been violated on the
24 Commissioner’s own initiative or may require a written complaint.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(e) (7) THE COMMISSIONER MAY INVESTIGATE WHETHER § 3-718 OF THIS TITLE HAS BEEN VIOLATED ON RECEIPT OF A WRITTEN COMPLAINT OF AN EMPLOYEE.

3-718.

(A) (1) IN THIS SECTION, "TRAINING REPAYMENT AGREEMENT" MEANS AN AGREEMENT THAT REQUIRES AN EMPLOYEE TO PAY AN EMPLOYER OR A THIRD PARTY, SUCH AS A TRAINING PROVIDER, A SUM OF MONEY IF THE EMPLOYEE VOLUNTARILY OR INVOLUNTARILY LEAVES EMPLOYMENT WITH THE EMPLOYER.

(2) "TRAINING REPAYMENT AGREEMENT" INCLUDES AN AGREEMENT THAT REQUIRES THE EMPLOYEE TO REIMBURSE THE EMPLOYER OR THIRD PARTY FOR TRAINING PREVIOUSLY PROVIDED TO THE EMPLOYEE.

(3) "TRAINING REPAYMENT AGREEMENT" DOES NOT INCLUDE:

(I) A CASH ADVANCE TO AN EMPLOYEE;

(II) A PAYMENT FOR EQUIPMENT SOLD OR LEASED TO AN EMPLOYEE;

(III) AN EDUCATIONAL SABBATICAL LEAVE CONTRACT; OR

(IV) AN AGREEMENT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION ENTERED INTO AS PART OF A COLLECTIVE BARGAINING AGREEMENT.

(B) (1) AN EMPLOYER MAY NOT REQUIRE AS A CONDITION OF EMPLOYMENT AN EMPLOYEE OR PROSPECTIVE EMPLOYEE TO ENTER INTO A TRAINING REPAYMENT AGREEMENT.

(2) AN AGREEMENT THAT CONSTITUTES A TRAINING REPAYMENT AGREEMENT IS NULL AND VOID AS BEING AGAINST THE PUBLIC POLICY OF THE STATE.

(C) IF AN EMPLOYEE OR A PROSPECTIVE EMPLOYEE BELIEVES THAT AN EMPLOYER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION, THE EMPLOYEE OR PROSPECTIVE EMPLOYEE MAY:

(1) FILE A WRITTEN COMPLAINT WITH THE COMMISSIONER; OR

(2) BRING A CIVIL ACTION FOR ECONOMIC DAMAGES.

(D) (1) IF THE COMMISSIONER DETERMINES THAT AN EMPLOYER KNOWINGLY VIOLATED SUBSECTION (B)(1) OF THIS SECTION, THE COMMISSIONER SHALL ASSESS A CIVIL PENALTY OF:

(I) FOR THE FIRST VIOLATION, UP TO \$10,000;

(II) FOR THE SECOND VIOLATION, UP TO \$20,000; AND

(III) FOR EACH SUBSEQUENT VIOLATION, UP TO \$20,000 FOR EACH EMPLOYEE FOR WHOM THE EMPLOYER IS NOT IN COMPLIANCE.

(2) IN DETERMINING THE AMOUNT OF THE PENALTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER SHALL CONSIDER:

(I) THE GRAVITY OF THE VIOLATION;

(II) THE SIZE OF THE EMPLOYER'S BUSINESS;

(III) THE EMPLOYER'S GOOD FAITH; AND

(IV) THE EMPLOYER'S HISTORY OF VIOLATIONS UNDER THIS SECTION.

(3) IF THE COMMISSIONER ASSESSES A PENALTY UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE PENALTY SHALL BE SUBJECT TO THE NOTICE AND HEARING REQUIREMENTS OF TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

(E) IF A COURT IN AN ACTION FILED UNDER SUBSECTION (C)(2) OF THIS SECTION DETERMINES THAT AN INDIVIDUAL OR A CLASS OF INDIVIDUALS IS ENTITLED TO RESTITUTION AS A RESULT OF THE EMPLOYER'S VIOLATION OF SUBSECTION (B)(1) OF THIS SECTION, THE COURT:

(1) SHALL AWARD EACH INDIVIDUAL ANY RESTITUTION TO WHICH THE INDIVIDUAL MAY BE ENTITLED; AND

(2) MAY AWARD EACH INDIVIDUAL AN ADDITIONAL AMOUNT UP TO THREE TIMES THE AMOUNT OF THE RESTITUTION AWARDED.

(F) A PENALTY ISSUED OR RESTITUTION ORDERED UNDER THIS SECTION AGAINST AN EMPLOYER SHALL BE IN EFFECT AGAINST ANY SUCCESSOR BUSINESS ENTITY THAT:

1 **(1) HAS ONE OR MORE OF THE SAME PRINCIPALS OR OFFICERS AS THE**
2 **EMPLOYER AGAINST WHOM THE PENALTY WAS ASSESSED, UNLESS THE PRINCIPAL**
3 **OR OFFICER DID NOT OR WITH THE EXERCISE OF REASONABLE DILIGENCE COULD**
4 **NOT KNOW OF THE VIOLATION FOR WHICH THE PENALTY WAS IMPOSED; AND**

5 **(2) IS ENGAGED IN THE SAME OR EQUIVALENT TRADE OR ACTIVITY.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2026.