

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1543 (Delegate Bhandari)
 Government, Labor, and Elections

Labor and Employment - Temporary Workers

This bill establishes the Temporary Worker Oversight Unit in the Maryland Department of Labor (MD Labor) to oversee the employment of H-2A and H-2B visa holders in the State. The bill requires recruiters to register annually with MD Labor and post a surety bond of at least \$10,000. MD Labor may conduct unannounced inspections of worksites and housing and inspect payroll records, housing conditions, transportation arrangements, and safety compliance. Additionally, the bill authorizes temporary workers to allow representatives of specified organizations into employer-provided housing, and imposes civil penalties on employers for violations of the bill. An employer and a recruiter are jointly and severally liable for any violation committed by a recruiter acting on behalf of the employer.

Fiscal Summary

State Effect: General fund expenditures increase by \$531,700 in FY 2027 for staffing. Out-years reflect annualization, inflation, and ongoing costs. The bill’s penalty provisions are not expected to materially affect general fund revenues.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	531,700	618,900	648,200	677,800	707,500
Net Effect	(\$531,700)	(\$618,900)	(\$648,200)	(\$677,800)	(\$707,500)

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Definitions

“Temporary worker” means an individual employed in the State under an H-2A or H-2B visa. “Employer” means a person that employs or sponsors a temporary worker in the State. “Recruiter” means a person that recruits, solicits, hires, refers or transports a temporary worker.

Temporary Worker Oversight Unit

Temporary Worker Oversight Unit must (1) coordinate enforcement of the bill; (2) collect data regarding the implementation of the bill; and (3) by January 31 each year, submit a report to the General Assembly for the immediately preceding calendar year. The report must include any actions taken while coordinating enforcement, data collected, and any other relevant information related to the bill’s implementation.

MD Labor must ensure a temporary worker can file complaints and communicate with MD Labor investigators. It must provide all complaint forms, informational forms, and communications related to the enforcement of the bill in both English and Spanish. Additionally, upon request, the department must provide qualified Spanish interpretation services to temporary workers for interviews, investigations, and complaint proceedings related to alleged violations.

Recruitment and Employment

An employer may not employ a temporary worker before filing an affidavit with MD Labor stating that the employer has not charged or collected any fees or financial obligations from a worker, as specified.

An employer or a recruiter may not:

- charge, collect, or cause to be charged or collected any recruitment fee, promissory note, loan, or other financial obligation from a temporary worker;
- retaliate against a temporary worker for taking an authorized action under this bill;
- interfere with, by intimidation or otherwise, the provision of services as specified;
- or
- prevent a service provider invited by a temporary worker from entering employer-provided housing.

Any adverse action taken by an employer against a temporary worker within 90 days after a complaint or action is filed creates a rebuttal presumption that the action was retaliatory.

Employer-provided housing

A temporary worker may allow a representative of the following organizations to enter the employer-provided housing:

- a farm worker advocacy organization;
- a legal services organization;
- an outreach organization;
- a health service organization;
- a labor organization; and
- any other organization that provides services to temporary workers.

Representatives allowed to enter employer-provided under this bill may:

- provide assistance to temporary workers consistent with the mission of the organization;
- support the temporary workers in filing complaints and pursuing resolutions to the actions; and
- provide education to temporary workers.

Enforcement Penalties

If an employer or a recruiter violates the bill's provisions, a temporary worker may (1) file a complaint with MD Labor or (2) bring an action in a court of competent jurisdiction. If MD Labor determines that an employer has violated the law, it may impose a civil penalty of up to \$10,000 per violation. For a violation involving more than one temporary worker, each affected temporary worker constitutes a separate violation.

In an action filed by a temporary worker in a court of competent jurisdiction (1) the temporary worker may seek treble damages and injunctive relief and (2) the court may award reasonable fees and costs, including attorney's fees and expert witness fees, to the prevailing plaintiff.

Current Law:

Temporary Employment of Foreign Workers

The hiring and sanctioning of temporary workers in the nation is controlled primarily by federal law and various federal agencies, including the U.S. Department of Labor (DOL) and the U.S. Citizenship and Immigration Service (USCIS). Section 218 of the Immigration

and Nationality Act authorizes the lawful admission into the United States of temporary, nonimmigrant workers (H-2A workers) to perform agricultural labor or services of a temporary or seasonal nature. Similarly, the H-2B nonimmigrant program permits employers to hire nonimmigrants to perform temporary nonagricultural labor or services in the United States. A farm labor contractor must be specifically authorized to provide housing or transportation to migrant or seasonal agricultural workers prior to doing so, and persons employed by farm labor contractors to perform farm labor contracting activities also must register with DOL.

The H-2A program authorizes stays for one-year intervals, and the maximum stay is three years. Sponsoring employers must provide housing to H-2A temporary workers.

The H-2B program is subject to a statutory cap of 66,000 workers. Authorization is granted for up to one-year intervals, and the maximum stay is three years. Sponsoring employers are *not* required to provide housing to temporary workers but must pay for inbound and outbound transportation and meals and lodging until a temporary worker reaches the place of employment.

Workers residing in employer-furnished housing must be permitted to invite, or accept at their discretion, guests to their living quarters subject only to reasonable restrictions designed to protect worker safety or prevent interference with other workers' enjoyment of these areas.

Foreign Labor Certification Unit

The federally funded Foreign Labor Certification (FLC) Unit within MD Labor's Division of Workforce Development and Adult Learning assists employers and potential employees with Foreign Labor Certificates, including H-2A guest worker visas, and provides resources for employee safety and wage complaints. FLC workers are allowed to work only on federally funded activities, which include inspecting H-2A housing, conducting outreach, and educating workers about complaint processes. The unit also conducts pre-occupancy housing inspections.

State Expenditures: As noted above, FLC is exclusively federally funded and may work only on federally funded activities. Therefore, although the bill is duplicative of much of FLC's responsibilities, FLC cannot carry out State-mandated activities under the bill. Therefore, MD Labor must establish a separate Temporary Worker Oversight Unit with State-funded employees. USCIS currently has data on H-2A and H-2B temporary workers available only through federal fiscal 2023. As of federal fiscal 2023, there were nearly 3,700 temporary workers under the two programs in Maryland. Thus, the Temporary Worker Oversight Unit likely requires substantial staff to carry out its duties.

Accordingly, general fund expenditures increase by \$531,663 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring one program manager, three program coordinators, one assistant attorney general, 50% of one fiscal monitoring staff, and 10% of one special programs manager to implement the bill's requirements, including conducting housing inspections, investigating complaints, and adjudicating violations. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	5.6
Salaries and Fringe Benefits	470,594
Other Operating Expenses	<u>61,069</u>
Total FY 2027 State Expenditures	\$531,663

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

This estimate does not include the cost of Spanish translation services, which are required to be provided upon request. Absent experience under the bill, a reliable estimate is not feasible, but costs for translation services may be meaningful.

Small Business Effect: Small businesses that recruit H-2A and H-2B visa holders may incur additional costs to register with MD Labor and secure bonding. Affected employers under the H-2A program are subject to increased housing inspections and new penalties for noncompliance.

Additional Information

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

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland Department of Labor; U.S. Citizenship and Immigration Services; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2026
jg/mcr

Analysis by: Toni Heo

Direct Inquiries to:
(410) 946-5510
(301) 970-5510