



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE ECONOMIC MATTERS COMMITTEE

HOUSE BILL 123 -- LABOR AND EMPLOYMENT - WAGE HISTORY AND WAGE RANGE

February 4, 2020

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Oppose

House Bill 123 prohibits an employer from retaliating against or refusing to interview, hire or employ a job applicant because the applicant did not provide a wage history or requested the wage range for the position. The bill provides that an employer may not rely on the wage history of a job applicant in screening or considering the applicant or in determining wages. The employer may also not seek the wage history of an applicant for employment. HB 123 allows an employee to recover damages from the employer and creates civil penalties of up to \$5,000 for employers not in compliance. The bill stipulates that if an employer commits a violation the affected applicant may bring action against the employer for injunctive relief and to recover, whichever is greater, actual damages or special damages, not to exceed \$10,000.

Creating a competitive business climate that promotes job creation and a strong economy is a priority of the Greater Baltimore Committee. House Bill 123 harms efforts to create a competitive business climate by placing new and unnecessary requirements on Maryland's employers. Imposing additional restrictions on businesses during the hiring and employment process detracts from the State's ability to compete and makes Maryland a less attractive place to do business.

A significant concern with House Bill 123 is the restriction on obtaining important information that can be helpful to an employer. There are many legitimate uses for salary information when making hiring decisions and employers often consider industry wage information to assess the current market value of the employees they hire. Employers also benefit from the use of salary information when competing in certain industry sectors for the best talent available.

Employers need to have the ability to determine salaries for employees based on an applicant's experience, education and training. It is important that lawmakers carefully consider the ramifications of actions that increase the cost of doing business and do not prevent employers from gathering important information when making personnel decisions.

House Bill 123 is inconsistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the Greater Baltimore Committee that identifies eight core pillars for a competitive business environment and job growth:

Government leadership that unites with business as a partner. Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on House Bill 123.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org