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HB 956: Labor & Employment - Wage Payment & Collection - General Contractor Liability

Hearing before the Economic Matters Committee, Feb. 25, 2020

Position: OPPOSE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to an honest day's pay for an honest day's work. The PJC opposes HB 956, which would make it harder for low-wage construction workers to receive their earned wages for construction work they have already performed.

Joint liability for general contractors is a critically important tool for low-wage construction workers to ensure they are paid for their work. Many general contractors use subcontractors with a history of hiring construction employees and then failing to pay them their earned wages. Too often, the same bad actor creates new corporations to avoid suits for unpaid wages, leaving workers with nothing at all after having spent weeks—or more—working on a construction site. Joint liability for general contractors addresses this problem by (i) giving general contractors a reason to use reputable subcontractors, and (ii) giving workers a way to recover their earned wages when a subcontractor can't or won't.

HB 956 would create a procedural barrier that would hurt low-wage victims of wage theft and make it harder for them to recover their earned wages. HB 956 would require workers to give the general contractor written notice of a violation and 30 days to remedy it. This procedural barrier is unprecedented in Maryland's wage laws; no other provision of Maryland's wage laws require that a worker give notice—let alone *written* notice—before seeking unpaid, earned wages. HB 956 would hurt workers (i) whose native language is not English, (ii) who cannot read or write well, (iii) who don't know who at the job site works for the general contractor, (iv) who are finished with the job by the time they realize they are owed wages, and (v) who don't know about this "written notice" requirement. In short, HB 956 would hurt workers.

For the foregoing reasons, the PJC **OPPOSES HB 956** and urges an **UNFAVORABLE** report. Should you have any questions, please call David Rodwin at 410-625-9409 ext. 249.