



HB 956
Labor and Employment – Wage Payment and Collection - General Contractor Liability
Economic Matters Committee
Position: Support

Maryland AGC, the Maryland Chapter of the Associated General Contractors of America, provides professional education, business development, and advocacy for commercial construction companies and vendors. While the overwhelming majority of our members are open shop, we welcome union contractors and are the bargaining agent with four of the basic trades. AGC of America is the nation’s largest and oldest trade association for the construction industry. AGC of America represents more than 26,000 firms, all through a nationwide network of chapters. Maryland AGC supports HB 956 and respectfully urges the Committee to give the bill a favorable report.

The underlying purpose of HB 956 is to give general contractors the opportunity to address and remedy failures by subcontractors to pay their employees wages that conform to the requirements of Maryland’s Wage Payment and Collection Law. Current law, enacted in the 2018 Session, makes general contractors jointly and severally liable with subcontractors at any level for subcontractors’ violations of the Wage payment and Collection Law. In cases involving less than \$3,000, employees who believe they have not been paid in accordance with the law may file a complaint with the Commissioner of Labor and Industry; for amounts greater than \$3,000, employees may bring an action against both their subcontractor employer and the general contractor.

While Maryland’s Wage Payment and Collection Law covers a range of requirements that employers must meet with respect to paying wages, the predominate issue that arises is failure by a subcontractor employer to pay wages at all. HB 956 would give general contractors an opportunity to remedy this without the need for an aggrieved employee to proceed either with the Commissioner or in court. It does this by giving an aggrieved subcontractor’s employee the opportunity to notify a general contractor in writing of the failure by the subcontractor to pay wages appropriately and giving the general contractor 30 days to remedy the problem.

For employees, this gives them a quick solution and the wages they are due. They do not have to wait two weeks, as current law prescribes when amounts over \$3,000 are at issue. For amounts under \$3,000, action by the Commissioner of labor and Industry easily takes more than 30 days, given the Commissioner has to allow a contractor 15 days to respond and the contractor has 30 days after an order to pay wages to request a de novo hearing. For general contractors, HB 956 gives them the opportunity to address issues while subcontractors are still on the job or at least still in business and while the underlying facts and records are still available.

HB 956 serves the best interests of employees and general contractors alike. For these reasons, we respectfully urge the Committee to give HB 956 a favorable report.

Champe C. McCulloch
McCulloch Government Relations, Inc.
Lobbyist for Maryland AGC