
House Bill 956

Date: February 25, 2020
Committee: Economic Matters Committee
Bill Title: Labor and Employment - Wage Payment and Collection - General Contractor Liability
Re: **Letter of Support**

House Bill 956 provides a reasonable protection for general contractors that provide construction services by establishing that general contractors are jointly and severally liable for a subcontractor failing to pay an employee only if the general contractor does **not** resolve the issue within 30 days of receipt of written notice from the employee.

Under current law, an employee of a subcontractor may file suit against the subcontractor for unpaid wages if 2 weeks have elapsed since the time payment was due. Moreover, general contractors are jointly and severally liable for the unpaid wages, plus 3 times the amount in damages, for a violation that they did not commit.

House Bill 956 simply provides general contractors with a 30 day opportunity to resolve the issue before being liable for up to 3 times the amount of unpaid wages. Please note that during this time, an employee may file a complaint with the Maryland Department of Labor (Department) to recover unpaid wages at **no** cost to the employee.

For these reasons, the Department respectfully requests a favorable report from the Committee on House Bill 956.