

BRIAN E. FROSH
Attorney General



ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

March 12, 2020

To: The Honorable Delores G. Kelley
Chair, Senate Finance Committee

From: The Office of the Attorney General

Re: Senate Bill 831 – Labor and Employment – Wage Payment and Collection – General Contractor Liability – **OPPOSE**

The Office of the Attorney General urges an unfavorable report on Senate Bill 831. This bill is harmful to Maryland workers, and greatly limits their ability to recover for wage violations. As written, this bill more than doubles the amount of time – from 14 days to 30 days – that an employee must wait before instituting an action against their employer for unpaid wages.

Maryland's Wage and Hour Law regulates the payment of wages by employers in Maryland. Among the requirements, the law requires employers to pay workers the wage promised; establish regular paydays; pay wages when they are due; pay in a specified manner; pay at least once every two weeks or twice a month, and advise employees on their rate of pay and designated payday.¹ If an employer fails to pay, or follow any of these set-out requirements, an employee may institute an action for back-pay after 14 days.

This bill is even more harmful due to the rampant problem of wage theft in the construction industry.² The problem of wage theft in construction was addressed in 2018 by the General Assembly when they passed Senate Bill 853, which holds general contractors liable for wage theft conducted by their subcontractors. If the subcontractor does not pay an employee after two weeks, the employee can bring action against the general contractor and the court can

¹ Senate Bill 831, *Fiscal and Policy Note*, Department of Legislative Services, http://mgaleg.maryland.gov/2020RS/fnotes/bil_0001/sb0831.pdf.

² Laborers' International Union of North America, *Wage Theft and Misclassification*, <https://www.liuna.org/wage-theft>.

award the employee up to three times what was owed.³ Senate Bill 831 threatens to weaken the strides made to protect Maryland construction workers in 2018, by allowing a general contractor or subcontractor to commit wage theft for nearly a month before the employee has any chance at recovery.

For the reasons stated above, the Office of the Attorney General urges an unfavorable report of Senate Bill 831.

cc: Members of the Senate Finance Committee

³ Senate Bill 853, 2018 Leg., 439th Sess. (Md. 2018).