



LEGISLATIVE POSITION:

Favorable

Senate Bill 801

Labor and Employment – Economic Stabilization Act – Alterations

Senate Finance Committee

Thursday, March 4, 2021

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 780 of the 2020 legislative session made changes to state law regarding employer notification requirements in the cases of shutdowns or layoffs. The 2020 adopted changes included making notice requirements mandatory rather than voluntary, specifying to whom notice must be provided and what information must be included in that notice, and granting the Secretary of Labor enforcement authority to fine employers up to \$10,000 a day for violations of the notice requirements. However, the 2020 changes did not address some of the vague nature of the law which exists as a legacy of its previous voluntary nature.

As a result, the Maryland Chamber of Commerce formed an interim workgroup of members to identify areas for clarity to aide in compliance with the new provisions and to mirror some portions of state law to important provisions of the federal WARN Act.

SB 801 addresses those areas in three primary ways:

1. SB 801 adds and clarifies definitions throughout the statute.
2. SB 801 makes a change to the required notice given to elected officials by changing the requirement to notify "all" elected officials to the "chief elected official of the local jurisdiction". This notification change helps reduce administrative burden for employers and is more closely aligned with the previous sponsors intent.

3. SB 801 mirrors the three exceptions to providing notice outlined in federal law in the case of natural disasters, a faltering business, or business circumstances not reasonably foreseen at the time notice would have been required.
 - a. **Important note** - if a business utilizes one of the three exceptions, they are not exempt from providing notice entirely, and must do as soon as possible. The changes in SB 801 provide relief from the fine that would result from notice not being given by the required 60-day mark due to an unforeseen circumstance.

SB 801 also addresses a few other outstanding items like clarifying responsibility for notice among employers as a result of a sale, which has been a past gray area.

Finally, SB 801 is the product of an interim workgroup within the Maryland Chamber of Commerce and has been crafted with input from the Maryland employer community, labor attorneys, the Maryland Department of Labor, and the United Food and Commercial Workers (UFCW) Local 400 union. We recently received suggested changes to the bill text and will continue to work alongside other stakeholders to reach as much consensus as possible.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 801**.

