



WMDA/CAR Service Station and Automotive Repair Association

Chairman Wilson
Members of Economic Matters Committee

RE: HB 496
Position: In opposition

HB496 takes away employer contribution and increases employee contribution for certain businesses. This is not the overwhelming burden of Family and medical leave. Yes, it counts toward overall costs, but the real problem is 12 and possible 24 weeks with out employee, and only 17 weeks to qualify. This bill empowers employees to take off work and for longer periods of time.

Business is struggling now in these uncertain times and every day seems brings another challenge. I know Covid has been hard on everyone and for small business you can double that. While manufactures and online stores have done very well, small business and especially brick & mortar have suffered. Working from home, mask on, mask off have, all contributed to lack of traffic in our location.

This one size fits all bill if passed could not come at a worse time for small business. Increase in wages, cost of professional help, upgrading software for tracking requirements all add to rising cost of doing business in Maryland. Employers are being pushed to braking point.

Replacement employees are close to non-existent for member service stations and convenience stores, even when offing above minimum wage. For repair facilities the problem is worse, technicians are impossible to find. Here lies a huge problem, when an employee takes off for 12 weeks because he can, where do you find an employee to replace them. Fiscal notes say **"The U.S. Department of Labor found that 40% of employees who took FMLA leave returned to work due to their inability to afford leave. By establishing FAMILI, more employees may take leave and take leave for longer periods of time"**

Small business does not keep extra employees, finding a temporary worker for unspecified period would be hard to say the least. Option, pay overtime if an employee or employees willing to work the hours. Expensive way to do business but choices are limited. Temporary agencies would cost more.

Cost of overtime pay for \$15.00 hour employee; $\$15.00 + \$7.50 = \$22.50$. Additional cost for 12 weeks overtime \$3,600. Not sustainable for business

A repair facility with 3 technicians would be losing 33% of business revenue with 1 technician out. This would be devastating to business and with 2 technicians out could be business ending.

The prospect of an employee taking off 12 weeks after only working 17 weeks (680 hrs.) is hard to imagine and the possibility of 24 is a bad dream. Equation is off balance with 12 weeks, let alone 24.

Verification portion of this bill is also troubling, and some would say impossible. Investigators would be overwhelmed; verification would be unreliable at best when other states and countries are involved.

Employers that can, will turn to A.I. as better everyday option. Eliminating costs, including jobs will be a priority, along with price increases.

The bill creates a huge in division in Department of Labor to implement and regulate at an enormous cost to employers, gives employees more weeks off than they have worked. Well run, profitable companies that treat their employees well and with good benefits will be looking to other states to locate their business, jobs will move along with them.

HB 8 And HB 496 say Maryland is closed to business

Please give HB 496 and unfavorable report

WMDA/CAR is a trade association that has represented service stations, convenience stores and repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net