



Maryland Motor Truck Association

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HEARING DATE: February 15, 2022

BILL NO/TITLE: House Bill 496 – Labor and Employment – Family and Medical Leave Insurance Program – Establishment

COMMITTEE: House Economic Matters Committee

POSITION: Oppose

Maryland Motor Truck Association (MMTA) is a non-profit trade association with 1,000 member companies who offer for-hire trucking services and who use private fleets to deliver goods. Our members include owner operators, small to mid-size fleets, and national companies. About 91% of our members are small business owners with six trucks or fewer. MMTA urges an unfavorable report on HB496, which would establish a family & medical leave insurance program funded by a payroll tax shared between employees and employers.

While the establishment of such a fund is well intentioned, MMTA is very concerned about the cost and administrative burden it would place on employers. In our industry we have seen massive cost increases for fuel, tires, labor, and equipment – with continued rising inflation projected. This legislation not only hurts employers dealing with rising prices, but also the many employees who will never have a need to take such time off by subjecting them to a new escalating tax with no ability to opt out. We know the costs of this program will continue to escalate because the benefits are indexed to the CPI, so it is a certainty that the initial cap of 0.75% of employee wages will rise over time. We have already seen this. When this legislation was first introduced years ago, it was limited to a tax of 0.50%. Now we see bills ranging from 0.75% to 1%.

Beyond the actual cost, the legislation fails to account for the difficulty in finding replacement labor. It is certain that the availability of up to 24 weeks of paid leave during a year will encourage more employees to take time off. When workers are absent, it creates greater challenges for employers to meet their customers' demands due to the difficulty in replacing personnel. Virtually every industry in the country is suffering from a massive labor shortage. In trucking, our current driver shortage is 80,000, with projections that it will exceed 100,000 by 2023. Offering extended time off will only further exacerbate this challenge, making it increasingly difficult for us to deliver the products that Americans need.

From pay to time off, the competition for labor is forcing all industries to voluntarily reexamine the benefits they offer to attract workers without this additional mandate. For that reason, and the challenges noted above, MMTA respectfully asks for an unfavorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to supporting and advocating for a safe, efficient, and profitable trucking industry across all sectors and industry types, regardless of size, domicile, or type of operation.

For further information, contact: Louis Campion, (c) 443-623-4223