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February 15, 2022

Delegate C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401

RE: HB 501 – UNFAVORABLE – Labor and Employment – Workers’ Compensation Claims – Fees for Legal Services

Dear Chair Wilson and Members of the House Economic Matters Committee:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 501 authorizes the Workers’ Compensation Commission to order that a fee for legal services of up to \$2,000 be awarded in situations where covered employees only receive a medical benefit from the Commission. This fee can be payable by the employer or its insurer, a self-insured employer, the Uninsured Employers’ Fund, or the covered employee themselves.

MAA opposes House Bill 501 because of the possibility that the Workers’ Compensation Commission could choose to order that the employer in any given claim pay a fee for the employee’s legal services. Not only would it impose an additional financial burden on our member companies, but it also goes against long-standing customs. Traditionally in the United States, each party in a legal dispute is responsible for paying their own attorneys’ fees, except when statutory or contractual provisions dictate otherwise. These exceptions, however, often aim to deter unscrupulous conduct by disreputable actors. In the realm of workers’ compensation, there need not be—and often is not—any fault to assign, so there is usually no behavior that assigning an award of attorneys’ fees would deter. As a result, MAA believes employers or their insurers should not have to face the possibility of paying out an additional \$2,000 per workers’ compensation claim solely for attorneys’ fees.

We appreciate you taking the time to address this important issue and we respectfully urge an unfavorable report on House Bill 501.

Thank you,

Marshall Klinefelter
President
Maryland Asphalt Association