



March 1, 2023

Senator Griffith, Chair
Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: House Bill 838 – UNFAVORABLE – Workplace Fraud and Prevailing Wage – Violations – Penalties and Referrals

Dear Chair Griffith and Members of the Committee:

The Maryland Transportation Builders and Materials Association (MTBMA) has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 838 would establish criminal penalties for employers who fail to properly clarify an individual under the Workplace Fraud Act. Criminal penalties will also apply for contractors and subcontractors who are found to have knowingly violated the State Prevailing Wage Law. These criminal charges will be a misdemeanor and could be subject to a fine or imprisonment. The charge could be up to \$5,000 and the imprisonment could be for a period of 60 days.

This bill is overreaching and onerous, yet again on Maryland's employers. Although this bill requires the violation to have been done knowingly, it is still a great risk when employees could be subject to new criminal charges. Unfortunately, our criminal justice system is not perfect, and we believe that this bill could result in criminal charges from a benign error. Our members already follow regulations that require clear definitions, and could be held liable in civil court for violating these statutes. Because of this, not only is this bill duplicative, but the risk it poses is simply unnecessary.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on Senate Bill 838.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association