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MARYLAND ASPHALT ASSOCIATION



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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 Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively 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.

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.

Sincerely,

Marshall Klinefelter
President
Maryland Asphalt Association