



Senate Finance Committee

To: Senator Melony Griffith, Chair; Senator Kathy Klausmeier, Vice-Chair; and Members of the Committee.
From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **SUPPORT SB 838**.

Wage theft and misclassification are one of the biggest problems faced by legitimate contractors in the construction industry. Unfortunately, it has become a way of doing business for some contractors. It allows them to beat out honest contractors and increase their profits by bidding 30% less and winning work. These “bad actors” will misclassify workers, paying them as independent contractors when they should be paid as employees so they can lower their labor costs. In doing this, they pay no federal, state, or local taxes, workers comp, or unemployment insurance. Doing this cheats the taxpayers and their workers out of hard-earned money. These contractors face little or no penalty if they get caught. It gets so bad that they can budget to pay the fines and back wages treating it as a cost of doing business. This is not something that happens accidentally.

SB 838 moves Maryland in the right direction by making Wage Theft a misdemeanor. This will allow stiffer penalties, such as \$5000 per worker or jail time if the violation is horrendous. The bill also mandates that the Department of Labor refer cases to the Comptroller's office so she can go after the lost taxes, workers comp, and unemployment. When the “bad actors” start facing real penalties that hurt them financially, Wage Theft and Misclassification will begin to disappear.

For these reasons, I ask that you support **SB 838**.

Sincerely,

Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association

MID-ATLANTIC PIPE TRADES ASSOCIATION



**7050 Oakland Mills Road
Suite 180
Columbia, MD 21046**

**Phone: 410-290-3890
www.midatlanticpipetrades.o**

Plumbers and Gasfitter Local 5 – Camp Springs, MD
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA
Plumbers and Pipefitters Local 110 – Norfolk, VA
Road Sprinkler Fitters Local 669 – Columbia, MD

Plumbers and Steamfitters Local 486 – Baltimore, MD
Plumbers and Steamfitters Local 489 – Cumberland, MD
Steamfitters Local 602 – Capitol Heights, MD