MARYLAND Association of COUNTIES

Senate Bill 845

Workers' Compensation - Temporary Partial Disability - Concurrent Employment

MACo Position: **OPPOSE**

To: Finance Committee

Date: March 5, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** SB 845. This bill would require employers to effectively pay temporary total disability instead of the current practice of temporary partial disability for worker's compensation claims in which the claimant has, and continues to work in, a second job. Counties oppose the concept of paying an employee for *total* disability, including their ability to serve in an alternative role within their work site, while they continue to work in a secondary job.

Today, employers are required to pay temporary partial disability benefits for claims where a worker has a secondary source of income and can continue to work. Under SB 845, employers could be forced to pay temporary total disability under these circumstances. Counties understand the fragile situation some claimants find themselves in, unable to work their secondary job or forced out of it, even if they can perform their duties while on workers' compensation. However, SB 845 creates an unfair burden on employers to pay a significantly greater benefit to make up for potential lost wages at a second job.

Counties are just one set of employers impacted by the financial ramifications of SB 845, but the bill has especially challenging implications for local governments. Maryland's counties are facing an unprecedented wave of fiscal effects. Revenues are softening − and are even in decline − as federal support recedes from the national economy and high interest rates slow real estate sales. Costs of workforce, construction, and legal liability are all mounting dramatically. Additionally, the Blueprint for Maryland's Future poses costs for education that, for each county, will absorb or exceed their projected new revenues from current sources.

Furthermore, county options for generating meaningful revenues are limited, with most counties already at the state's income tax rate cap, leaving the regressive property tax as the principal remaining alternative. In this precarious setting, placing new operational or fiscal burdens on county governments is untenable and unrealistic.

SB 845 poses unreasonable benefit obligations and costs on behalf of employees who are demonstrably able to continue working in some capacity, undermining the core notion of the workers' compensation system. For these reasons, MACo **OPPOSES** SB 845 and urges an **UNFAVORABLE** report.