



February 26, 2025

Legislative Position: Unfavorable

House Bill 1096

Fraud Prevention and Worker Protections - Prohibitions, Penalties, and Enforcement

House Economic Matters Committee

Dear Chairman Wilson and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

The Howard County Chamber of Commerce strongly opposes HB 1096, which seeks to expand the Workplace Fraud Act to all industries beyond construction and landscaping, and grants the Office of the Attorney General (OAG) broad authority to enforce wage and hour laws and workplace fraud. This legislation will have far-reaching consequences for Maryland's business community.

By expanding the Workplace Fraud Act to all industries, this bill places significant liability on businesses, particularly small and medium-sized enterprises. The potential for costly lawsuits and fines will stifle economic growth, deter entrepreneurship, and lead to increased costs for consumers. Furthermore, the bill's provisions allowing for treble damages and attorney's fees will create a cottage industry for plaintiff's attorneys, further increasing the financial burden on businesses.

We are also deeply concerned about granting the OAG broad authority to enforce wage and hour laws and workplace fraud. This will lead to duplicative and unnecessary enforcement actions, as the Maryland Department of Labor (MDDOL) already has the authority to investigate and enforce these laws. The OAG's involvement will only serve to increase the complexity and cost of compliance for businesses, without providing any additional benefits to workers.

Moreover, we question the need for this enhanced enforcement. There is a lack of data suggesting the current enforcement mechanisms are inadequate or that there is widespread non-compliance with wage and hour laws. It is our understanding that MDDOL's own complaint data shows that the vast majority of businesses in Maryland are in compliance with these laws. This bill is a solution in search of a problem.

The Howard County Chamber of Commerce urges the Committee to reject HB 1096. The increased liability and enforcement authority granted to the OAG will have a chilling effect on Maryland's business community, without providing any tangible benefits to workers. We believe that any efforts to enhance



enforcement should be data-driven and targeted at specific industries or sectors where non-compliance is a demonstrated problem.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce