

The Voice of Merit Construction

## FEBRUARY 27, 2025

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FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 1261 – EMPLOYMENT DISCRIMINATION – INTENT

POSITION: OPPOSE

The Associated Builders and Contractors (ABC) opposes H.B. 1261 which is before you today for consideration. This bill's shift from requiring discriminatory intent to prohibiting actions with a "discriminatory effect, regardless of intent," represents a significant and harmful change to Maryland's employment law.

We believe H.B. 1261 goes too far and will have unintended negative consequences for Maryland businesses. The concept of "discriminatory effect" is vague and subjective, leaving employers vulnerable to frivolous lawsuits and creating a climate of uncertainty. Employers will be forced to second-guess every employment decision, no matter how well-intentioned, for fear of a potential claim of "discriminatory effect."

The bill's allowance for a defense of "legitimate business necessity" and "no less discriminatory means" does little to alleviate these concerns. These terms are also vague and will likely lead to protracted and costly litigation. Small businesses will be disproportionately burdened by this legislation. This could stifle job creation and economic growth in Maryland.

Furthermore, this shift in focus from intent to effect will likely lead to quotas and other forms of preferential treatment, as employers attempt to avoid any appearance of a "discriminatory effect."

The current legal framework, which focuses on discriminatory intent, is a more balanced approach. It protects employees from intentional discrimination while allowing employers to make legitimate business decisions without fear of unwarranted legal challenges. HB 1261 unnecessarily tilts the scales against employers and will ultimately harm Maryland's business climate.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on H.B. 1261.

Marcus Jackson, Director of Government Affairs