



February 13, 2025

Legislative Position: Unfavorable
House Bill 582
Labor and Employment - Exemptions From Overtime Pay -
Administrative, Executive, or Professional Capacity
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.

As introduced, HB 582 would alter the exemption from overtime pay for individuals employed in an administrative, executive, or professional capacity. This bill would put Maryland's overtime laws out of line with federal law, creating unnecessary confusion and burden for employers.

The proposed salary threshold of \$1,128 per week is excessive and was recently struck down by a federal court in a similar proposal. In the case of *State Of Texas v. United States Department of Labor*¹, the court ruled that the Department of Labor's proposed salary threshold was too high and improperly prioritized salary over job duties. This decision highlights the importance of aligning state laws with federal regulations to avoid unnecessary conflicts and ensure consistency for employers.

By adopting a salary threshold that is significantly higher than the federal standard, Maryland would be creating a patchwork of regulations that would be difficult for employers to navigate. This would lead to increased costs and administrative burdens for businesses, particularly small and medium-sized enterprises that may not have the resources to comply with multiple regulatory frameworks.

Furthermore, this bill would undermine the flexibility and autonomy that many employees value in their work arrangements. By focusing solely on salary, this bill ignores the complexities of modern work arrangements and the many factors that contribute to an employee's overall compensation and job satisfaction.

¹ *State Of Texas v. United States Department of Labor et al*, No. 4:2024cv00499 - Document 76 (E.D. Tex. 2024). (n.d.). Justia Law. <https://law.justia.com/cases/federal/district-courts/texas/txedce/4:2024cv00499/230562/76/>



We urge the committee to reject HB 582 and instead focus on policies that promote economic growth, job creation, and competitiveness in Maryland. By aligning our state laws with federal regulations, we can create a more favorable business climate that benefits both employers and employees. For these reasons, **we urge an unfavorable report on HB 582.**

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce