



The Voice of Merit Construction

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TO: ECONOMIC MATTERS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 1439 – BETTER SMALL BUSINESS EMPLOYEE BENEFIT ACT OF 2025

POSITION: FAVORABLE

The Associated Builders and Contractors (ABC) supports H.B. 1439 which is before you today for consideration. This legislation addresses a critical need for small contractors in Maryland by streamlining access to affordable and comprehensive health benefits for their employees.

ABC understand the challenges small businesses face in providing competitive benefits packages. The current regulatory landscape can be complex and burdensome, often making it difficult for small employers to navigate the complexities of offering health insurance. This bill offers a practical solution by clarifying the regulations surrounding health benefit plans offered through professional employer organizations (PEOs), co-employers, and other employee leasing organizations.

Specifically, the provisions within H.B. 1439 that exempt certain requirements related to health benefit plans offered through PEOs will significantly benefit our smaller contractors. By allowing these businesses to pool their resources and leverage the expertise of PEOs, they can access more affordable and comprehensive health insurance options for their employees. This increased access to quality health care will not only improve the well-being of Maryland's workforce but also enhance the competitiveness of our small businesses.

The clarification regarding the definition of "professional employer organization" is also a crucial element of this bill. This will provide much-needed clarity for businesses and ensure that the intended benefits of the legislation are directed towards genuine PEO arrangements. This clarity will prevent unintended consequences and ensure the integrity of the program.

Furthermore, treating welfare benefit plans offered to worksite employees of a PEO as a single employer welfare benefit plan simplifies the process and reduces administrative burdens for small businesses. This provision recognizes the unique nature of PEO arrangements and streamlines compliance, making it easier for small businesses to offer competitive benefits.

We believe that H.B. 1439 represents a significant step forward in supporting small businesses in Maryland. It will empower them to provide better health benefits for their employees, leading to a healthier and more prosperous workforce.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request a favorable report on H.B. 1439.

Marcus Jackson, Director of
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