



January 28, 2026

The Voice of Merit Construction

Mike Henderson
President

Greater Baltimore Chapter
mhenderson@abcbaltimore.org

Chris Garvey
President & CEO

Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org

Dan Bond CAE
President & CEO

Metro Washington Chapter
dbond@abcmetrowashington.org

Jennifer Harris
Chairman

Joint Legislative Committee
jharris@pecklaw.com

Matthew Teffeau

Director of Government Affairs
Metro Washington Chapter
mteffeau@abcmetrowashington.org

Additional representation by:
Harris Jones & Malone, LLC

6901 Muirkirk Meadows Drive
Suite F
Beltsville, MD 20705
(T) (301) 595-9711
(F) (301) 595-9718

To: Senate Finance Committee

Subject: SB 60- Fraud Prevention, Prevailing Wage, and Living Wage - Prohibitions, Penalties, and Enforcement

Position: **Oppose**

Dear Chair Beidle and Members of the Senate Finance Committee:

On behalf of Associated Builders and Contractors (ABC), a national construction trade association representing merit shop contractors and subcontractors across Maryland, we respectfully submit this letter in opposition to Senate Bill 60 as introduced.

ABC and its members strongly support fair competition, compliance with wage and hour laws, and robust enforcement against bad actors who intentionally misclassify workers or fail to pay legally required wages. However, SB 60 goes well beyond those objectives by imposing sweeping joint and several liability on general contractors for alleged violations committed by subcontractors, regardless of contractual relationship, knowledge, or control.

Joint and Several Liability Is Overbroad and Unworkable

SB 60 would make a general contractor automatically liable for subcontractor violations, even where the subcontractor is several tiers removed and even where the general contractor had no knowledge of, involvement in, or practical ability to prevent the alleged conduct. This approach abandons long-standing principles of fairness and proportionality in enforcement.

General contractors do not control subcontractors' payroll systems, classification decisions, or internal employment practices. Yet under SB 60, they would bear full financial and legal responsibility for violations over which they have no operational control. This effectively transforms general contractors into insurers for the entire subcontracting chain—an obligation that is neither realistic nor sustainable.

The Proposal Will Reduce Competition and Harm Small Businesses

The practical effect of this provision will be to discourage the use of small and emerging subcontractors, particularly minority-owned, women-owned, and specialty trade businesses that rely on subcontracting opportunities to grow. Faced with unlimited downstream liability, general contractors will be forced to narrow their subcontractor pools, increase costs, and impose onerous compliance burdens that smaller firms cannot meet.



This outcome directly undermines Maryland's stated goals of expanding opportunity, promoting competition, and supporting small businesses in the construction industry.

Existing Enforcement Tools Are Already Extensive

Maryland law already provides the Commissioner of Labor and Industry and the Attorney General with broad investigative and enforcement authority, including civil penalties, restitution, treble damages, debarment, and licensing consequences for employers who violate labor laws. SB 60 dramatically expands these powers while simultaneously shifting liability to parties who are not the violators.

ABC believes enforcement efforts should remain focused on the employer who actually committed the violation, rather than imposing strict liability on upstream contractors who complied with the law and acted in good faith.

Thank you for the opportunity to provide our perspective. We would welcome the opportunity to work with the Committee on more balanced approaches that protect workers while preserving a competitive and diverse construction industry in Maryland.

Respectfully submitted,

Associated Builders and Contractors
Maryland Chapter

