

# MHLA

## Maryland Hotel Lodging Association

### **HB 203 - Labor and Employment - Training Repayment Agreements - Prohibition**

Government, Labor, and Elections Committee

February 5, 2026

**Position: OPPOSE**

*MHLA is the sole statewide organization dedicated to advocacy on behalf of Maryland's lodging industry. Our industry is a powerful economic engine. **765 hotels** support more than **115,000 jobs** statewide, generate **\$7.2 billion in wages and salaries**, contribute **\$2.4 billion in state and local tax revenue**, and drive **\$10.6 billion in guest spending** that strengthens communities across Maryland.*

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While MHLA supports employer-funded training that helps Maryland workers build skills and advance their careers, **we oppose HB 203**. Its blanket prohibition on training repayment agreements will unintentionally harm Maryland workers by discouraging employers from investing in training, increasing legal risks, and undermining workforce development—especially in the hospitality sector.

#### **1. HB 203 Discourages Training and Career Growth**

HB 203 voids all training repayment agreements, even when training is voluntary, transferable, documented, and prorated over time. By eliminating any distinction between abusive practices and legitimate workforce investments, the bill removes a key mechanism employers rely on to support certifications, safety training, and supervisory development.

If employers cannot recover training investments, they may reduce or eliminate voluntary training programs, limiting worker advancement.

#### **2. HB 203 Punishes Responsible Employers, Not Just Bad Actors**

HB 203 prohibits repayment agreements triggered by either voluntary or involuntary separation, without distinguishing between abusive “stay-or-pay” schemes and fair agreements tied to actual training costs. For hospitality employers with seasonal staffing or layoffs, this approach creates liability risk even for employers acting in good faith and investing in legitimate training.

#### **3. HB 203 Creates Costly Legal Risks and Hampers Training Investment**

The bill authorizes penalties up to \$20,000 per employee, a private right of action, court-ordered restitution, and - under specified conditions - liability that can extend to successor businesses following ownership or management changes. In hospitality - where franchises and transitions are common - this creates costly compliance burdens, legal risks, and uncertainty that can stifle training, workforce productivity, and economic growth.

For these reasons, we respectfully request an Unfavorable report on HB203.

#### **For more information, please contact:**

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