



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB0203: Labor and Employment – Training Repayment Agreements – Prohibition**  
Government, Labor, and Elections Committee  
Thursday, February 5th - 2:00

Chair Wells, Vice Chair Kerr, and Members of the Government, Labor, and Elections Committee,

Training repayment agreements, or TRAPs, are increasingly imposed as a condition of employment, offering the promise of opportunity while binding workers to hidden debt. A common form requires workers to ‘reimburse’ their employers for on-the-job training, regardless of the quality or necessity. Another demands payment for damages or “lost profits” if an employee provides less than 4-months notice before resigning. In enforcing TRAPs, employers have significantly reduced employees' final pay checks, sued for damages, and sent former employees to collections.<sup>1</sup>

HB0203 voids existing training repayment agreements and prohibits employers from requiring them as a condition for employment.

On-the-job training has historically been a positive way for workers to build skills, advance their careers, and achieve greater job stability. Training repayment agreements were once largely limited to higher-wage, specialized positions involving substantial, transferable education. Today, however, TRAPs are increasingly used in medium and low-wage industries to bind workers to a single employer. For example, hospital systems requiring newly licensed nurses to sign repayment agreements for routine orientation and webinar-based training, with penalties of up to \$10,000 if they leave early. These are often known as “stay or pay” contracts and are typically issued to these new graduates of nursing school in their most vulnerable stage of employment. These agreements have a direct impact on the safety that these nurses feel when operating in their places of work. When threatened with significant fines and penalties, the life saving work that these nurses do on a daily basis is impaired.

This is not only the case for nurses, but for countless other workers in low and middle wage industries such as trucking, retail, and service sectors. All workers, especially those in low and

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<sup>1</sup> “[Stay-or-Pays & TRAPs](#),” Protect Borrowers

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middle income industries have an inalienable right to safety, which TRAP agreements directly undermine.

The costs for which employers seek repayment often exceed the value of any training provided on the job, but employees have little to no recourse and nurses have been sent to collections by hospitals for quitting.

**I urge the Committee to give a favorable report on HB0203.**