



**HB 299: UNFAVORABLE**

Dear Chair Wells and Members of the House Government, Labor, and Elections Committee:

On behalf of the Harford County Chamber of Commerce, we respectfully submit this letter in opposition to House Bill 299 *Fraud Prevention, Prevailing Wage, and Living Wage – Prohibitions, Penalties, and Enforcement*.

The Harford County Chamber represents a diverse membership of small businesses, contractors, nonprofit organizations, and major employers who are committed to ethical business practices and full compliance with state labor laws. While we support efforts to address intentional fraud and ensure fair competition, we are concerned that HB 299 expands enforcement authority and penalties in ways that may unintentionally harm compliant businesses and create new legal and administrative burdens.

HB 299 alters enforcement mechanisms related to prevailing wage, living wage, and workplace fraud laws, including authorizing the Attorney General to investigate and bring civil actions and establishing new prohibitions tied to unemployment insurance contributions and benefits.

While the stated intent is to address fraud, the expanded enforcement structure creates uncertainty for employers who are already navigating complex wage, classification, and procurement regulations.

Our concerns include:

**1. Increased Regulatory and Legal Exposure for Employers:**

The bill broadens enforcement authority and potential penalties, which could subject businesses to additional investigations or litigation, even in cases involving administrative errors or disputes over classification. This creates risk and uncertainty, particularly for small and mid-sized employers who lack in-house legal or compliance teams.

**2. Chilling Effect on Participation in Public Contracts:**

Harford County relies on a strong network of local contractors and subcontractors for public projects. Expanding enforcement mechanisms tied to prevailing and living wage laws may discourage small and emerging businesses from bidding on government contracts due to fear of increased liability and administrative complexity.

**3. Additional Costs in an Already Challenging Business Climate:**

Employers across Maryland continue to face rising costs related to labor, energy, insurance, and compliance. Adding new enforcement layers and potential penalties could increase operating costs, slow

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**President/CEO**

- Angela Rose

hiring, and reduce investment—particularly in local communities and smaller jurisdictions like Harford County.

4. Lack of Clear Distinction Between Intentional Fraud and Good-Faith Errors:

The Chamber supports strong enforcement against deliberate fraud. However, the bill’s broad enforcement provisions risk capturing employers who make unintentional administrative mistakes. Policy solutions should focus on bad actors without penalizing responsible businesses that are trying to comply with complex rules.

The Harford County Chamber of Commerce urges the Committee to instead pursue targeted solutions that:

- \* Focus enforcement on proven, intentional fraud;
- \* Provide clear guidance and safe-harbor provisions for good-faith employers;
- \* Reduce regulatory complexity rather than increase it; and
- \* Support workforce development and economic growth.

Maryland’s business community is a partner in creating fair workplaces and strong local economies. Policies that increase uncertainty or liability for compliant employers may ultimately reduce job creation and limit opportunities for workers.

For these reasons, the Harford County Chamber of Commerce respectfully requests an **UNFAVORABLE** report on HB 299.

Thank you for your consideration.

Sincerely,



**Angela M. Rose**  
**President & CEO**  
**Harford County Chamber of Commerce**