

HB0203_RichardKaplowitz_FAV
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TESTIMONY ON HB#0203 - POSITION: FAVORABLE
Labor and Employment - Training Repayment Agreements – Prohibition

TO: Chair Wells, Vice Chair Kerr, and members of the Government, Labor and Elections Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#/0203, **Labor and Employment - Training Repayment Agreements – Prohibition**

This is a pro-worker bill that will prevent employers from using what is called a TRAP (Training Repayment Agreement Provision) to force employees to continue working for them even if it is contrary to the best interests of the employee's financial and mental health and future employment prospects.

As explained by Protect Borrowers ¹

Every year, tens of millions of Americans leave their jobs. But for many of them, this can come with a surprise: a bill. That's because more employers are relying on "stay-or-pay" contracts to trap workers, requiring them to pay a penalty if they leave a job.

The most common type of stay-or-pay contract is a Training Repayment Agreement Provision (also known as a TRAP). TRAPs and other types of stay-or-pay contracts are often forced on workers as a condition of employment, allowing corporations to use the threat of debt collection or litigation to lock workers in place, limiting their mobility and bargaining power, and leveraging crushing financial penalties when a worker does dare to leave.

Maryland can stop this anti-employee process by passing this bill prohibiting employers from requiring, as a condition of employment, employees or prospective employees to enter into training repayment agreements; defining "training repayment agreement" as one that requires an employee to pay an employer or a third party, such as a training provider, a sum of money if the employee voluntarily or involuntarily leaves employment with the employer; and providing that an agreement that constitutes a training repayment agreement is null and void as being against the public policy of the State.

Maryland should and can make this odious practice stopped in our state.

I respectfully urge this committee to return a favorable report on HB0203.

¹ <https://protectborrowers.org/what-we-do/workplace-debt-labor-exploitation/stay-or-pays-traps/>