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*The Voice of Merit Construction*

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**To: House Government, Labor, and Elections Committee**

**Subject: Maryland Department of Labor- Investigation of Complaints- Requirements (Workforce Enforcement Act of 2026)**

**Position: Oppose**

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**Dear Chair Wells and Members of the House GLE Committee**

On behalf of Associated Builders and Contractors (ABC), a national construction trade association representing merit shop contractors and subcontractors across Maryland, We respectfully oppose HB 516, the *Worksite Enforcement Act of 2026*, as currently drafted.

While the bill's intent to improve complaint handling is understandable, the proposal raises serious concerns regarding unnecessary expansion of bureaucratic enforcement authority, potential duplication of existing functions, lack of safeguards for due process, and unfunded mandates on the State budget.

**Redundant Investigative Infrastructure**

HB 516 mandates the Department of Labor (DOL) to establish new internal investigative procedures and hire one investigator for each of five regions of the State. However, Maryland already has established enforcement mechanisms — including the Maryland Department of Labor's existing divisions and the *Joint Enforcement Task Force on Workplace Fraud* — that coordinate investigations into wage and labor violations with multiple agencies. These existing frameworks are designed to reduce duplication and improve interagency coordination. Adding a separate, stand-alone investigative unit risks overlapping roles with limited benefit.

**Mandated Budget Appropriation Without Defined Outcomes**

The bill requires a **mandated appropriation of \$500,000 annually** for five investigators. Mandated appropriations limit the General Assembly's budgetary flexibility and tie future budgets to specific spending regardless of broader fiscal priorities or changing needs. The bill fails to articulate measurable performance outcomes or benchmarks for the new investigators, making program accountability



unclear. Flexibility in budgeting is essential, particularly when economic uncertainty persists.

### **Risk of Over-Criminalization and Due Process Issues**

The broad categorization of complaints in the bill includes “mismanagement, misconduct, abuse, fraud, waste, ... negligence, incompetence, or malfeasance.” While accountability is important, these terms are undefined in statute and could be subject to inconsistent interpretation. Without clear standards and procedural safeguards, businesses and individuals may face investigations based on vague criteria, creating uncertainty and potentially chilling legitimate economic activities.

### **Potential Burden on Small Business and Employers**

Expanding complaint-driven investigations could inadvertently burden small employers that lack the administrative capacity to respond to government inquiries. Compliance costs — including legal support, record production, and staff time — could disproportionately impact small and medium enterprises, discouraging growth and job creation. An enforcement expansion should include tailored protections and supports for small business, which are absent in the current bill.

### **Duplication with Attorney General and Consumer Protection Functions**

HB 516 requires coordination with the Attorney General’s Consumer Protection division, but does not clarify when the Department must defer to or transfer authority to the AG’s office. This ambiguity can lead to inconsistent enforcement actions and duplication of effort, especially where labor and consumer issues overlap. A more effective approach would clearly delineate roles to avoid confusion and redundancy.

While improving complaint handling at the Department of Labor is a valid goal, HB 516 in its current form risks creating unnecessary bureaucracy, fiscal inflexibility, and overlap with existing enforcement efforts. We urge the Committee to *vote unfavorable* on this bill and instead work on targeted reforms that enhance enforcement efficiency without imposing unfunded mandates or expanding vague investigatory authority.

Respectfully submitted,

Matt Tefteau, Director of  
Government Affairs

