

# HOUSE BILL 1539

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8lr3307  
CF SB 853

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By: **Delegates Lisanti, Barkley, Branch, Brooks, Carey, Clippinger, Fennell,  
Glenn, Valderrama, and Waldstreicher**

Introduced and read first time: February 9, 2018

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – General Contractor Liability for Unpaid Wages**  
3 **(Contractors Payment Protection Act)**

4 FOR the purpose of providing that certain contractors are jointly and severally liable for  
5 certain violations of the wage payment and collection law by certain subcontractors  
6 under certain circumstances; requiring a subcontractor to indemnify a general  
7 contractor for certain wages, damages, interest, penalties, and fees except under  
8 certain circumstances; defining a certain term; prohibiting a certain obligation or  
9 contract right from being impaired by this Act; and generally relating to a general  
10 contractor's liability for unpaid wages.

11 BY repealing and reenacting, with amendments,  
12 Article – Labor and Employment  
13 Section 3–507.2  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume and 2017 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
17 That the Laws of Maryland read as follows:

18 **Article – Labor and Employment**

19 3–507.2.

20 (a) Notwithstanding any remedy available under § 3–507 of this subtitle, if an  
21 employer fails to pay an employee in accordance with § 3–502 or § 3–505 of this subtitle,  
22 after 2 weeks have elapsed from the date on which the employer is required to have paid  
23 the wages, the employee may bring an action against the employer to recover the unpaid  
24 wages.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) If, in an action under subsection (a) of this section, a court finds that an  
2 employer withheld the wage of an employee in violation of this subtitle and not as a result  
3 of a bona fide dispute, the court may award the employee an amount not exceeding 3 times  
4 the wage, and reasonable counsel fees and other costs.

5 (c) (1) IN THIS SUBSECTION, "CONSTRUCTION SERVICES" HAS THE  
6 MEANING STATED IN § 3-901 OF THIS TITLE.

7 (2) IN AN ACTION BROUGHT UNDER SUBSECTION (A) OF THIS  
8 SECTION, A GENERAL CONTRACTOR ON A PROJECT FOR CONSTRUCTION SERVICES  
9 IS JOINTLY AND SEVERALLY LIABLE FOR A VIOLATION OF THIS SUBTITLE THAT IS  
10 COMMITTED BY A SUBCONTRACTOR OR THE SUBCONTRACTOR'S SUBCONTRACTOR.

11 (3) A SUBCONTRACTOR SHALL INDEMNIFY A GENERAL CONTRACTOR  
12 FOR ANY WAGES, DAMAGES, INTEREST, PENALTIES, OR ATTORNEY'S FEES OWED AS  
13 A RESULT OF THE SUBCONTRACTOR'S VIOLATION UNLESS:

14 (I) INDEMNIFICATION IS PROVIDED FOR IN A CONTRACT  
15 BETWEEN THE GENERAL CONTRACTOR AND THE SUBCONTRACTOR; OR

16 (II) A VIOLATION OF THE SUBTITLE AROSE DUE TO A LACK OF  
17 PROMPT PAYMENT IN ACCORDANCE WITH THE TERMS OF THE CONTRACT BETWEEN  
18 THE GENERAL CONTRACTOR AND THE SUBCONTRACTOR.

19 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation  
20 or contract right may not be impaired in any way by this Act.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2018.