



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**SB224 – Labor and Employment - Employment Standards and Conditions - Definition of Employer
Finance Committee
February 10, 2022
UNFAVORABLE**

On behalf of the Greater Silver Spring Chamber of Commerce, representing 400 member organizations, including very small businesses with fewer than ten employees and several nonprofits, in the greater Silver Spring area of Montgomery County, I write to express our opposition to SB224 - Labor and Employment – Labor and Employment - Employment Standards and Conditions - Definition of Employer.

As we understand the language of the bill, HB 299 seeks to add a new but uniform definition of “employer” throughout certain areas of the State’s Labor and Employment regulations. Specifically, HB 299 seeks to expand the definition of “employer” to include a joint employer but adding the language, “*a person who acts directly or indirectly in the interest of another employer with an employee.*”

As such, it seems that HB 299 is adding new liability exposure to third party entities, such as employment agencies, subcontractors, and franchisors, even homeowners, for violations of Maryland Wage Payment and Collection Law (MWPCCL). The Chamber is *extremely concerned* about the potential impacts on Maryland businesses, particularly small businesses, resulting from the expanded liability exposure, especially as business still struggle to overcome the challenges of a two-year pandemic.

As we understand the intent of the bill, a small business that hires, for example, a cleaning company could become responsible for back wages and damages up to *three times higher* than the wages owed if the cleaning company does not pay the employees who did the work. When a business hires another business in good faith, and pays that business for work performed, the hiring business should not be liable for wrongdoing by the hired entity. If that is the result of this bill, it is simply wrong.

For these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests a **UNFAVORABLE committee report on SB224.**

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