

MHLA

Maryland Hotel Lodging Association

Testimony in Opposition to SB 525

Labor and Employment – Equal Pay for Equal Work – Wage Range Transparency
February 22, 2024 - Senate Finance Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry employs more than 25,000 individuals and provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

MHLA supports transparency as well as gender pay equity, but we have concerns that this legislation is unnecessarily broad and written in such a way that it will expose many Maryland employers to costly litigation.

While the goal of this legislation is to ensure that all job postings disclose the salary or wage range associated with the position, various provisions within the bill go far beyond that objective. The bill attempts to extend this requirement to postings for positions that are physically located outside of the state, which would result in an extraterritorial application of the law. Aside from questions about the constitutionality of this provision, it is also particularly unmanageable since employers do not classify or categorize job postings based on where the supervisor for the position sits.

Under the law today, employers must disclose certain information at the request of an employee or applicant. This bill changes that requirement in a way that places additional burdens on employers to proactively disclose certain information during the interview process. This is problematic since employers in competitive markets need flexibility to adjust to the market and lure talented employees, without disclosing pay scales and other benefits to competitors. Additionally, employers will feel compelled to enlarge the pay scale in order to create sufficient room to adjust wages depending on varied candidates and factors such as skill, education, prior experience, and funding available for the job. Such a broad pay scale will not assist an applicant in negotiations and is unnecessarily redundant since an individual already has the legal right to view that information upon request.

Last but not least, the bill establishes a private right of action for all "applicants," even though that term is undefined. Broadly permitting applicants to bring class action suits is unnecessary and overly punitive towards employers. The law already provides for statutory penalties and fines to punish those who intentionally violate the law. As currently written, this bill would give rise to serial plaintiffs who have no intention of sincerely seeking a position and simply shop for flawed job postings that can be used to extort settlements from employers.

In totality, we fear that this legislation would create burdensome headwinds that will ultimately deter Maryland employers from hiring.

For these reasons, the Maryland Hotel Lodging Association respectfully requests an Unfavorable Report on SB 525.