



Maryland Chamber of Commerce

**SB 452
OPPOSE
Finance
Committee
02/26/09**

Legislative Position

SB 452

Labor and Employment - Maryland Wage and Hour Law - Damages

Brief Summary of Bill:

SB 452 modifies the Damages provision of the Maryland Wage and Hour Law to make treble damages and attorneys' fees for unpaid minimum wage or overtime wages mandatory instead of permissible.

Maryland Chamber's Position:

The Maryland Chamber of Commerce opposes this bill. This legislation provides that an employee who prevails in a claim of unpaid wages shall be awarded treble damages (the base amount of unpaid wages), plus a new penalty of two times the amount of unpaid wages, plus attorneys' fees and cost. Currently, the law permits an employee to recover lost wages and attorneys' fees and costs.

The bill would require imposition of a punitive penalty without any demonstration that the employer willfully violated the act. The penalty is clearly excessive and not tailored to the nature of the violation. Federal law provides for a liquidated damage provision; however, the penalty is only a doubling of the unpaid wage amount. Furthermore, the court may decline to impose a penalty if the employer acts in good faith. The legislation exceeds federal law, and exceeds reasonable and appropriate damages for such a claim.

For these reasons, the Maryland Chamber respectfully requests that the Committee give SB 452 an unfavorable report.

If questions please contact Allyson Black, ablack@mdchamber.org