



February 8, 2017

The Honorable Dereck E. Davis  
Economic Matters Committee  
Room 231, House Office Building  
Annapolis, MD 21401

**RE: HB 665** – Exemptions From Overtime Pay - Administrative, Executive, or Professional Capacity – **Oppose**

Dear Delegate Davis:

This past November, U.S. District Judge Amos Mazzant ruled the federal Department of Labor's (DOL) new overtime rule "unlawful" and granted a temporary injunction preventing it from going into effect. Among other arguments, Judge Mazzant held that Congress had intended the Executive, Administrative, Professional (EAP) exemption to depend on an employee's duties rather than an employee's salary.

House Bill 665, as in the DOL's final rule, does much the same. While it may be argued that the minimum salary amount should be increased, a more than 100% increase is unreasonable and completely negates a very important factor in determining whether an employee should be exempt from overtime – the actual duties the employee performs.

The costs of compliance with such a change will force many smaller employers and non-profits (especially those that operate on fixed budgets) to cut critical programming, staffing, and/or services to the public. The ability to effectively and flexibly manage their workforces after losing the exemption for frontline executives, administrators and professionals will be lost and many employees in Maryland will have to be reclassified from salaried to hourly workers, resulting in restrictions on their work hours that will deny them flexibility and opportunities for advancement. The continual assault on Maryland businesses will not enhance our economic health and will only serve to negatively affect the wages, benefits and very existence of many jobs. The Carroll County Chamber of Commerce, a business advocacy organization of over 560 members, strongly opposes this bill and therefore requests that you give it an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin". The signature is written in a cursive, slightly slanted style.

Mike McMullin  
President  
Carroll County Chamber of Commerce

CC: Delegate Susan W. Krebs  
Senator Justin Ready