



February 12, 2019

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

RE: HB 1040 – Labor and Employment - Exemptions From Overtime Pay - Administrative, Executive, or Professional Capacity (Overtime Modernization Act of 2019) – **Oppose**

Dear Delegate Davis:

HB 1040 would raise the minimum salary amount necessary to qualify for the administrative, executive, or professional capacity exemptions under the state's minimum wage and overtime regulations to at least \$900 per week. That is more than double the current requirement. This is also the same law that was struck down by a federal court.

Such a law would result in wages being the primary factor in determining whether an employee is subject to the overtime provisions of the state's wage laws (which have mirrored the federal FLSA), effectively nullifying the duties test. Judging the applicability of the job's duties against the FLSA's requirement is a far more reliable factor in determining exempt status than solely the wage paid. Such an attempt is as ill-advised here as it was seen to be by a federal judge and therefore struck down.

The current federal DOL is again considering raising the minimum salary requirement for exemption to overtime wages. It would be prudent for the state to wait until that process is complete before acting independently. Furthermore, the state should avail itself of the advice and recommendations of the many experts outside of state government to intelligently assess the impact of such a drastic increase.

The Carroll County Chamber of Commerce, a business advocacy organization of over 600 members, strongly opposes this bill and asks that you give it an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Haven Shoemaker
Senator Justin Ready