



*To Lead, Advocate and Connect as the Voice of Business*

**SENATE BILL 607: Labor and Employment - Exemptions From Overtime Pay -  
Administrative, Executive, or Professional Capacity**

**FINANCE COMMITTEE**

**MARCH 2, 2017**

**OPPOSE**

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **opposes Senate Bill 607** which alters the conditions under which an individual who works in a specified administrative, executive, or professional capacity qualifies for an exemption from overtime pay and requires that individuals be compensated on a salary basis at a specified rate or amount to qualify as an individual who is employed in an administrative, executive, or professional capacity; etc.

There are many concerns with this bill. First and foremost, this is modeled after a U.S. Department of Labor rule change that was to go into effect in December 2016. While an increase is long overdue, the proposal at the federal level was too sharp and increased in too short a period of time. A federal judge issued an injunction and the rule has been stalled. This is an issue that is best addressed and resolved at the federal level. Second, the Maryland State Government has without any justification absolved itself as an employer and local governments as employers from the requirements being thrust upon the private sector. Lastly, Montgomery County is home to the second highest number of companies that contract with the federal government. If those companies, through a state law, are required to pay certain employees overtime, while other companies in other states do not have that same requirement, our Maryland companies will lose in the very competitive race to win federal contracts. This may compel those businesses to relocate to other nearby states where they are not faced with the same requirements.

For these reasons, we request an **unfavorable report** on Senate Bill 607.

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our members by advocating for increased business opportunities, strategic investment in infrastructure and balanced tax reform to advance Metro Maryland as a regional, national and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

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