

The Voice of Merit Construction

# February 15, 2024

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6901 Muirkirk Meadows Drive Suite F Beltsville, MD 20705 (T) (301) 595-9711 (F) (301) 595-9718 TO: ECONOMIC MATTERS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 682 – ENERGY GENERATION PROJECTS – LABOR AND

MINORITY BUSINESS ENTERPRISE REQUIREMENTS

POSITION: OPPOSE

The Associated Builders and Contractors oppose House Bill 682 Energy Generation Projects-Labor and Minority Business Enterprise Requirements as drafted as it exempts a General Contractor who has entered a Project Labor Agreement from paying workers the prevailing wage rate. The presence of a Project Labor Agreement should not act as an exemption from this obligation.

ABC vigorously opposes government-mandated labor agreements on state and local government construction projects; additionally, we oppose granting incentives to contractors who choose this business model. The rationale for exempting a contractor who has entered a Project Labor Agreement from prevailing wage requirements for covered projects is unclear and unnecessary-unless the intent of the contractor is to pay below the standard. ABC does not object to requiring a General Contractor to commit to follow all applicable laws and abide by generally accepted industry standards as a pre-condition to being awarded a procurement contract. However, these standards need to apply to all bidders.

We respectfully request striking lines 26 on page 2 through line12 on page 3 as well as lines 16-19 on page 4 of H.B 682. Furthermore, violations which lead directly to disbarment are inappropriate and deny a contractor appropriate due process. Violations of law should be handled in accordance with current law and procedure. While ABC has no objection to certified payroll being submitted and inspected by the owner of the project and appropriate regulatory agencies, subjecting private payroll documents to broad public inspection is unnecessary. Furthermore, we suggest adding language requiring contributions to the State Apprenticeship Fund, consistent with current law.

We appreciate the opportunity to opine on HB 682 and urge the committee to remove any language referencing PLAs or collective bargaining agreements from this bill. On behalf of the over 1,500 ABC companies in Maryland, we respectfully request an unfavorable report on H.B. 682 as drafted but remain available to work with the Sponsor regarding this matter.

Marcus Jackson, Director of Government Affairs