

House Bill 682

Date: February 13, 2024
Committee: House Economic Matters Committee
Bill Title: Energy Generation Projects - Labor and Minority Business Enterprise Requirements
Re: **Letter of Information**

House Bill 0682 adds a new subsection to the Labor and Employment Article under Title 3. The bill adds a new definition for “Covered Project” - “*Means a generating station with cumulative nameplate capacity of 1 Megawatt or more for which the Public Service Commission has approved.*” The scope of this section applies to projects that have either (1) been approved for a certificate of Public Convenience and Necessity or (2) have been approved for Construction (including physical change, demolition, installation, or other activities described under Public Utilities Article, Title 7, Section 207.1). The definition does not include Off-Shore Wind Projects that are also under the Public Utilities Article, Title 7.

Under subsection C of the bill, Developers of the aforementioned “Covered Projects” are mandated to pay the Prevailing Wage rates determined under the Title 17, Subtitle 2 of the State Finance and Procurement Article. The only exemptions for this mandate are Covered Projects that are subject to a Project Labor Agreement (PLA).

Under subsection D of the bill, the Developer is responsible for ensuring that every Contractor and Subcontractor completes a certification attesting to the following provisions:

(1) have the necessary resources to perform the work, (2) have all required licenses, (3) participate in apprenticeship training; (4) have not been subject to certain adverse actions (i.e. debarment & license revocation among others); (5) will pay applicable wage and fringe benefits; and (6) a schedule of occupation or work classification, (7) a schedule of work hours that each individual is working.

Developers are mandated to submit the certificate of compliance with the above requirements to MDL no later than 30 days before construction commences. If there is a PLA, that must be submitted as well.

Under subsection E of the bill, a Developer, contractor, and subcontractor on a Covered Project is obligated to maintain records of hours, classifications, and work performed (as determined by MDL) and certify the accuracy and completeness of those records. The records are then, by law, subject to inspection as public records.

Under subsection F, MDL is then required to maintain and distribute a list of parties that have been found in violation of any of the above requirements under subsections C, D, and E, and/or that have been debarred by other bodies. Further, if the certification provided contains “false”,



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“misleading” or “materially inaccurate information,” the certifying party may be subject to debarment. Additionally, violators of 3-718 subsections (c), (d) and (e) will be subject to penalties adopted and implemented by the Maryland Department of Labor (MDL) via regulation as outlined in subsection (g).

The Maryland Department of Labor is charged with developing a system to implement subsections C, D, E, and F of the bill, including developing regulations and monitoring and enforcement procedures.

The Department is engaged in discussion with the bill sponsor and looks forward to working with the bill sponsor to address operational questions within the bill.