

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 441(Senator Derr, et al.)
Finance

Prevailing Wage - Overtime

This bill alters the overtime compensation requirements under the State's prevailing wage law by providing that a contractor must pay overtime to employees for each hour worked in excess of 40 hours during a single work week. Under current law overtime must be paid for each hour worked in excess of eight hours in a single day.

The bill does not affect collective bargaining agreements signed before October 1, 1996.

Fiscal Summary

State Effect: Expenditures could decrease by an indeterminate amount, as discussed below. Revenues would not be affected.

Local Effect: Expenditures could decrease by an indeterminate amount as discussed below. Revenues would not be affected.

Fiscal Analysis

State Expenditures: Altering the requirements for overtime compensation as provided by the bill could give contractors more flexibility in work scheduling and possibly eliminate the need for overtime in some situations. Therefore, the cost of construction on certain public works contracts could decline. Any such decrease cannot be reliably estimated beforehand.

Local Expenditures: Expenditures could decrease to the extent that the costs of construction for certain public works contracts decline.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Budget and Fiscal Planning; Department of Fiscal Services

Fiscal Note History: First Reader - February 8, 1996

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