

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 284 (Delegate Baldwin)
Economic Matters

Prevailing Wage Law - Exemption for Construction of a Professional Football Stadium in Prince George's County

This bill exempts any public works contract associated with the construction of a professional football stadium in Prince George's County from the requirements of the State's prevailing wage law.

Fiscal Summary

State Effect: Special fund expenditures could decrease by an estimated \$1 to \$3 million in FY 1997. Future year expenditures would not be affected.

Local Effect: None. Prince George's County government will not provide funding for the construction of a National Football League stadium in the county.

Fiscal Analysis

State Expenditures: In 1995, the Department of Fiscal Services (DFS) conducted research on the fiscal implications of prevailing wage laws. Based on that research, DFS estimates that repealing the State's prevailing wage law would reduce construction costs on affected projects by 5% to 15%.

As outlined in the budget, including supplemental budget number 1, the State will provide \$70.5 million to fund infrastructure improvements associated with a National Football League stadium in Prince George's County including improvements to the Capital Beltway, State roads, county roads, and on-site improvements to parking lots, wetlands, and storm drainage. This figure is based on a cost breakdown contained in the Redskin's November estimate.

As many of the contracts will be issued prior to October 1, 1996, these contracts would be subject to the prevailing wage law. Contracts awarded after October 1, 1996 could be reduced by 5% to 15%. There have been discussions with the Redskins' organization as to project management and contract awards. To the extent that the Redskins issue the contracts and manage the projects, and are reimbursed by the State, the prevailing wage law would not apply to these contracts.

It is assumed that enactment of the legislation would have a minimal impact on the overall project cost, probably in the \$1 to \$3 million range.

Information Source(s): Department of Labor, Licensing, and Regulation; State Highway Administration; Department of General Services; Department of Fiscal Services

Fiscal Note History: First Reader - March 5, 1996

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