

HOUSE BILL 466

P2

7lr0502
CF 7lr2684

By: **Delegates McCray, Glenn, Anderson, Barkley, B. Barnes, Brooks, Carey, Chang, Conaway, Frick, Hayes, Haynes, Healey, Kramer, Lafferty, Lam, Lierman, Luedtke, McIntosh, Moon, Morales, Oaks, Patterson, Platt, Robinson, Rosenberg, Sanchez, Stein, Tarlau, Waldstreicher, M. Washington, and P. Young**

Introduced and read first time: January 27, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Prevailing Wage – Tax Increment Financing Developments – Application**

3 FOR the purpose of altering the prevailing wage law to apply to certain structures or works
4 constructed on property located in a certain tax increment financing development
5 funded with certain bond proceeds under certain State or local laws; providing for a
6 certain exemption under certain circumstances; providing for the application of this
7 Act; and generally relating to the applicability of the prevailing wage law.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 17–202
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2016 Supplement)

13 Preamble

14 WHEREAS, The State has a well-established history of generosity to business, and
15 Maryland's expansion of opportunities such as tax increment financing, enterprise zones,
16 and payments in lieu of taxes serves to continue that generosity; and

17 WHEREAS, The State's generosity to business can spur a vibrant economy that
18 offers more residents access to a desirable quality of life; and

19 WHEREAS, Generous business subsidies only benefit the few Maryland residents
20 fortunate enough to own businesses that can access such programs; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, A desirable quality of life fueled by hallmarks such as
 2 family–supporting wages, an equitable work environment, and career stability depends on
 3 employment outcomes based on a strong education system and robust apprenticeship
 4 programs to prepare workers for the jobs of tomorrow; and

5 WHEREAS, Business subsidies must be tied to employment outcomes for those
 6 subsidies to truly offer quality of life outcomes for an inclusive portion of Maryland
 7 residents, which expands the social good created by each dollar spent through the subsidy;
 8 now, therefore,

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 10 That the Laws of Maryland read as follows:

11 **Article – State Finance and Procurement**

12 17–202.

13 (a) This subtitle does not limit:

14 (1) the hours of work an employee may work in a particular period of time;
 15 or

16 (2) the right of a contractor to pay an employee under a public work
 17 contract more than the prevailing wage rate.

18 (b) This subtitle does not apply to:

19 (1) a public work contract of less than \$500,000; or

20 (2) the part of a public work contract for which the federal government
 21 provides money if, as to that part, the contractor is required to pay the prevailing wage rate
 22 as determined by the United States Secretary of Labor.

23 (c) If this subtitle and the federal Davis–Bacon Act apply and the federal act is
 24 suspended, the Governor may declare this subtitle suspended for the same period for:

25 (1) the part of that public work contract for which the United States
 26 Secretary of Labor would have been required to make a determination of a prevailing wage
 27 rate; or

28 (2) that entire public work contract.

29 **(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS**
 30 **SUBTITLE APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK, INCLUDING**
 31 **A BRIDGE, A BUILDING, A DITCH, A ROAD, AN ALLEY, A WATERWORK, OR A SEWAGE**
 32 **DISPOSAL PLANT, CONSTRUCTED WITH BOND PROCEEDS FROM BONDS ISSUED IN**
 33 **ACCORDANCE WITH TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT**

1 ARTICLE THAT IS LOCATED IN A DESIGNATED TAX INCREMENT FINANCING
2 DEVELOPMENT DISTRICT ESTABLISHED UNDER STATE OR LOCAL LAW.

3 (2) THIS SUBSECTION DOES NOT APPLY TO THE CONSTRUCTION OF A
4 STRUCTURE OR WORK IF A BOND ISSUED BY A POLITICAL SUBDIVISION OF THE
5 STATE, THE REVENUE AUTHORITY OF PRINCE GEORGE'S COUNTY, OR BALTIMORE
6 CITY FOR A TAX INCREMENT FINANCING DEVELOPMENT IS LESS THAN \$500,000.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only to a
8 contract executed on or after July 1, 2017.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2017.