

## Chapter 818

**(Senate Bill 278)**

AN ACT concerning

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

FOR the purpose of altering the prevailing wage law to apply to certain structures or works constructed on property located in a certain tax increment financing development district funded with certain bond proceeds under certain State or local laws; providing that the prevailing wage law applies to the construction of certain structures or works only if authorized by certain political subdivisions, Baltimore City, or the Revenue Authority of Prince George’s County; providing for the application of this Act; and generally relating to the applicability of the prevailing wage law.

BY repealing and reenacting, with amendments,  
 Article – State Finance and Procurement  
 Section 17–202  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2017 Supplement)

## Preamble

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

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

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

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

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

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

**Article – State Finance and Procurement**

17–202.

(a) This subtitle does not limit:

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

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

(b) This subtitle does not apply to:

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

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

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

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

(2) that entire public work contract.

**(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SUBTITLE APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK, INCLUDING A BRIDGE, A BUILDING, A DITCH, A ROAD, AN ALLEY, A WATERWORK, OR A SEWAGE DISPOSAL PLANT, FUNDED WITH BOND PROCEEDS FROM BONDS ISSUED IN ACCORDANCE WITH TITLE 12, SUBTITLE 2 OF THE ECONOMIC DEVELOPMENT ARTICLE THAT IS LOCATED IN A DESIGNATED TAX INCREMENT FINANCING DEVELOPMENT DISTRICT CREATED ON OR AFTER JULY 1, 2018, ESTABLISHED UNDER STATE OR LOCAL LAW.**

**(2) THIS SUBSECTION APPLIES TO THE CONSTRUCTION OF A STRUCTURE OR WORK ONLY IF A POLITICAL SUBDIVISION OF THE STATE, BALTIMORE CITY, OR THE REVENUE AUTHORITY OF PRINCE GEORGE’S COUNTY AUTHORIZES THAT THE CONSTRUCTION OF THE STRUCTURE OR WORK IS SUBJECT TO THIS SUBTITLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only to a contract executed on or after July 1, 2018.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 26, 2018.**