

HOUSE BILL 546

P2

8lr0698
CF SB 278

By: **Delegates Davis, McCray, and J. Lewis**

Introduced and read first time: January 26, 2018

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2018

CHAPTER _____

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 district funded with certain bond proceeds under certain State or local laws;
6 providing that the prevailing wage law applies to the construction of certain
7 structures or works only if authorized by certain political subdivisions, Baltimore
8 City, or the Revenue Authority of Prince George’s County; providing for the
9 application of this Act; and generally relating to the applicability of the prevailing
10 wage law.

11 BY repealing and reenacting, with amendments,
12 Article – State Finance and Procurement
13 Section 17–202
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2017 Supplement)

16 Preamble

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

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

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

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

13 **Article – State Finance and Procurement**

14 17–202.

15 (a) This subtitle does not limit:

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

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

20 (b) This subtitle does not apply to:

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

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

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

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

30 (2) that entire public work contract.

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

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

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

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 17 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.