

# SENATE BILL 278

P2

8lr0842  
CF 8lr0698

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By: **Senators Feldman, Klausmeier, Mathias, Rosapepe, and Zucker**

Introduced and read first time: January 22, 2018

Assigned to: Finance

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

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

15 Preamble

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

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

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

23 WHEREAS, A desirable quality of life fueled by hallmarks such as  
24 family–supporting wages, an equitable work environment, and career stability depends on  
25 employment outcomes based on a strong education system and robust apprenticeship

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 programs to prepare workers for the jobs of tomorrow; and

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

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

8 **Article – State Finance and Procurement**

9 17–202.

10 (a) This subtitle does not limit:

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

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

15 (b) This subtitle does not apply to:

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

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

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

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

25 (2) that entire public work contract.

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

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

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

8           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2018.