

# HOUSE BILL 524

P2, K3

9lr1706  
CF SB 300

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By: **Delegates Wilson, Brooks, Carey, Charkoudian, Crosby, Fennell, Glenn, Lehman, Lisanti, Turner, and Wells**

Introduced and read first time: February 4, 2019

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 5, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prevailing Wage Rates – Public Work Contracts – Suits by Employees**

3 FOR the purpose of authorizing certain employees to sue to recover the difference between  
4 certain prevailing wage rates and certain amounts under certain circumstances;  
5 providing that a certain determination by the Commissioner of Labor and Industry  
6 does not preclude certain employees from filing a certain action; providing for the  
7 liability of certain contractors and subcontractors under certain circumstances; and  
8 generally relating to private rights of action under the State prevailing wage law.

9 BY repealing and reenacting, with amendments,  
10 Article – State Finance and Procurement  
11 Section 17–224  
12 Annotated Code of Maryland  
13 (2015 Replacement Volume and 2018 Supplement)

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

16 **Article – State Finance and Procurement**

17 17–224.

18 (a) (1) If an employee under a public work contract is paid less than the  
19 prevailing wage rate for that employee’s classification for the work performed, the employee

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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 may file a complaint with the Commissioner.

2 (2) Except as otherwise provided in this section, a complaint filed under  
3 this section shall be subject to the provisions of § 17–221 of this subtitle.

4 (3) If the Commissioner’s investigation determines that the employer  
5 violated provisions of this subtitle, the Commissioner shall try to resolve the issue  
6 informally.

7 (4) (i) If the Commissioner is unable to resolve the matter informally,  
8 the Commissioner shall issue an order for a hearing in accordance with § 17–221 of this  
9 subtitle.

10 (ii) If, at the conclusion of a hearing ordered under subparagraph (i)  
11 of this paragraph, the Commissioner determines that the employee is entitled to restitution  
12 under this subtitle, the Commissioner shall issue an order in accordance with § 17–221 of  
13 this subtitle.

14 (iii) If an employer of an employee found to be entitled to restitution  
15 under subparagraph (ii) of this paragraph is no longer working under a contract with a  
16 public body, the Commissioner may order that restitution be paid directly by the employer  
17 to the employee within a reasonable period of time, as determined by the Commissioner.

18 (5) If an employer fails to comply with an order to pay restitution to an  
19 employee under paragraph (4)(iii) of this subsection, the Commissioner or the employee  
20 may bring a civil action to enforce the order in the circuit court in the county where the  
21 employee or employer is located.

22 **(B) (1) IF AN EMPLOYEE UNDER A PUBLIC WORK CONTRACT IS PAID LESS**  
23 **THAN THE PREVAILING WAGE RATE FOR THAT EMPLOYEE’S CLASSIFICATION FOR**  
24 **THE WORK PERFORMED, THE EMPLOYEE IS ENTITLED TO SUE TO RECOVER THE**  
25 **DIFFERENCE BETWEEN THE PREVAILING WAGE RATE AND THE AMOUNT RECEIVED**  
26 **BY THE EMPLOYEE.**

27 **(2) A DETERMINATION BY THE COMMISSIONER THAT A CONTRACTOR**  
28 **IS REQUIRED TO MAKE RESTITUTION UNDER SUBSECTION (A)(4) OF THIS SECTION**  
29 **DOES NOT PRECLUDE AN EMPLOYEE FROM FILING AN ACTION UNDER THIS**  
30 **SUBSECTION.**

31 **[(b)] (C) (1)** An action under this section is considered to be a suit for wages.

32 (2) A judgment in an action under this section shall have the same force  
33 and effect as any other judgment for wages.

34 (3) An action brought under this section for a violation of this subtitle shall  
35 be filed within 3 years from the date the affected employee knew or should have known of

1 the violation.

2 **[(c)] (D)** (1) The failure of an employee to protest orally or in writing the  
3 payment of a wage that is less than the prevailing wage rate is not a bar to recovery in an  
4 action under this section.

5 (2) A contract or other written document in which an employee states that  
6 the employee shall be paid less than the amount required by this subtitle does not bar the  
7 recovery of any remedy required under this subtitle.

8 **[(d)] (E)** (1) Except as provided in paragraph (3) of this subsection, if the  
9 court in an action filed under this section finds that an employer paid an employee less  
10 than the requisite prevailing wage, the court shall award the affected employee the  
11 difference between the wage actually paid and the prevailing wage at the time that the  
12 services were rendered.

13 (2) (i) Subject to subparagraph (ii) of this paragraph, unpaid fringe  
14 benefit contributions owed for an employee in accordance with this section shall be paid to  
15 the appropriate benefit fund, plan, or program.

16 (ii) In the absence of an appropriate benefit fund, plan, or program,  
17 the amount owed for fringe benefits for an employee shall be paid directly to the employee.

18 (3) The court may order the payment of double damages or treble damages  
19 under this section if the court finds that the employer withheld wages or fringe benefits  
20 willfully and knowingly or with deliberate ignorance or reckless disregard of the employer's  
21 obligations under this subtitle.

22 (4) In an action under this section, the court shall award a prevailing  
23 plaintiff reasonable counsel fees and costs.

24 (5) If the court finds that an employee submitted a false or fraudulent claim  
25 in an action under this section, the court may order the employee to pay the employer  
26 reasonable counsel fees and costs.

27 **(6) THE CONTRACTOR AND SUBCONTRACTOR SHALL BE JOINTLY AND**  
28 **SEVERALLY LIABLE FOR ANY VIOLATION OF THE SUBCONTRACTOR'S OBLIGATIONS**  
29 **UNDER THIS SECTION.**

30 **[(e)] (F)** (1) Subject to paragraph (2) of this subsection, an action filed in  
31 accordance with this section may be brought by one or more employees on behalf of that  
32 employee or group of employees and on behalf of other employees similarly situated.

33 (2) An employee may not be a party plaintiff to an action brought under  
34 this section unless that employee files written consent with the court in which the action is  
35 brought to become a party to the action.

1           **[(f)] (G)**       (1)     A person found to have made a false or fraudulent representation  
2 or omission known to be false or made with deliberate ignorance or reckless disregard for  
3 its truth or falsity regarding a material fact in connection with any prevailing wage payroll  
4 record required by § 17–220 of this subtitle is liable for a civil penalty of \$1,000 for each  
5 falsified record.

6                       (2)     The penalty shall be recoverable in a civil action filed in accordance  
7 with this section and paid to the State General Fund.

8           **[(g)] (H)**       An employer may not discharge, threaten, or otherwise retaliate or  
9 discriminate against an employee regarding compensation or other terms and conditions of  
10 employment because that employee or an organization or other person acting on behalf of  
11 that employee:

12                      (1)     reports or makes a complaint under this subtitle or otherwise asserts  
13 the worker's rights under this section; or

14                      (2)     participates in any investigation, hearing, or inquiry held by the  
15 Commissioner under § 17–221 of this subtitle.

16           **[(h)] (I)**       (1)     A contractor or subcontractor may not retaliate or discriminate  
17 against an employee in violation of this section.

18                      (2)     If a contractor or subcontractor retaliates or discriminates against an  
19 employee in violation of this section, the affected employee may file an action in any court  
20 of competent jurisdiction within 3 years from the employee's knowledge of the action.

21                      (3)     If the court finds in favor of the employee in an action brought under  
22 this subsection, the court shall order that the contractor or subcontractor:

23                              (i)     reinstate the employee or provide the employee restitution, as  
24 appropriate;

25                              (ii)    pay the employee an amount equal to three times the amount of  
26 back wages and fringe benefits calculated from the date of the violation; and

27                              (iii)   pay reasonable counsel fees and other costs.

28           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2019.