

May 28, 2021

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, Maryland 21401

Dear Mr. President and Madam Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 95 and House Bill 174 – *Public Utilities – Investor-Owned Utilities – Prevailing Wage*.

This legislation threatens to put additional undue financial stress on Maryland ratepayers at a critical period where they continue to face the detrimental fiscal and social impacts of the COVID-19 pandemic. If implemented, HB 174/SB 95 has the potential for a meaningful increase in utility rates for Marylanders. In addition, HB 174/SB 95 also puts unwanted financial burdens on Maryland utility contractors by requiring they shoulder the additional labor costs of establishing a prevailing wage for utility projects. During this fragile rebuilding period for our state, I cannot risk putting additional strain on our ratepayers and small business contractors who are working faithfully to maintain our energy infrastructure.

Lastly, this poorly crafted legislation does not reconcile the existing law with the proposed new public utility requirements. The state's current Prevailing Wage laws provide a detailed process to establish wage rates for government-funded public work projects. In requiring private contractors working on utility projects to pay a prevailing wage, HB 174/SB 95 failed to update the underlying laws to facilitate compliance and provide clarity to Maryland businesses working on critical gas and electric practices.

For these reasons, I have vetoed House Bill 174 and Senate Bill 95.

Sincerely,

Lawrence J. Hogan, Jr.
Governor