

Chapter 532

(Senate Bill 673)

AN ACT concerning

State Procurement – Apprenticeship Program Accountability and Completion

FOR the purpose of requiring certain apprenticeship programs utilized in certain State procurements to have at least a certain completion rate, as determined by the Maryland Department of Labor; and generally relating to the use of apprentices in State procurement.

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section ~~14–801, 14–802, 17–201, 17–205, 17–601(b), and 17–6A–01(f)~~ 17–601, and 17–6A–01

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section ~~17–601(a), (c), (f), (g), and (h), 17–602, 17–603(a), 17–604(a), 17–6A–01(a), (d), and (e), and 17–6A–02(a)~~

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

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

Article – State Finance and Procurement

14–801.

(a) In this subtitle the following words have the meanings indicated.

(B) “APPRENTICESHIP COHORT” MEANS A GROUP OF APPRENTICES REGISTERED WITH A SPECIFIC APPRENTICESHIP PROGRAM DURING A 1-YEAR PERIOD, EXCLUDING ANY APPRENTICES TERMINATED DURING THEIR PROBATIONARY PERIOD.

(C) “COMPLETION RATE” MEANS:

(1) FOR GROUP NONJOINT APPRENTICESHIP PROGRAMS, THE PERCENTAGE OF AN APPRENTICESHIP COHORT PER EMPLOYER THAT RECEIVES A

CERTIFICATE OF APPRENTICESHIP COMPLETION WITHIN 1 YEAR AFTER THE PROJECTED COMPLETION DATE; OR

(2) FOR GROUP JOINT, INDIVIDUAL NONJOINT, INDIVIDUAL JOINT, AND WAIVER APPRENTICESHIP PROGRAMS, THE PERCENTAGE OF AN APPRENTICESHIP COHORT FOR THE PROGRAM THAT RECEIVES A CERTIFICATE OF APPRENTICESHIP COMPLETION WITHIN 1 YEAR AFTER THE PROJECTED COMPLETION DATE.

~~(D)~~ (D) “Covered procurement” means a procurement contract that:

(1) meets the criteria established by the Chief Procurement Officer, in consultation with the Secretary and, for contracts subject to Title 3.5 of this article, the Secretary of Information Technology, under § 14–802 of this subtitle; and

(2) is not a public work contract subject to § 17–202 of this article.

~~(E)~~ (E) “Department” means the Maryland Department of Labor.

~~(F)~~ (F) “Eligible internship program” means an internship program that requires a contractor or other entity to provide paid internships that meet standards established by the Secretary.

~~(c)~~ ~~“Registered apprenticeship program” means an apprenticeship program that:~~

~~(1) is registered with and approved by the Division of Workforce Development and Adult Learning; AND~~

~~(2) HAS A COMPLETION RATE OF AT LEAST 25%, AS DETERMINED BY THE DEPARTMENT.~~

(G) “GROUP JOINT APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM THAT HAS A COMMITTEE, COMPOSED OF AN EQUAL NUMBER OF REPRESENTATIVES OF EMPLOYERS AND EMPLOYEES, THAT HAS BEEN JOINTLY ESTABLISHED BY AN EMPLOYER OR GROUP OF EMPLOYERS AND A COLLECTIVE BARGAINING AGENT OR AGENTS.

(H) “GROUP NONJOINT APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM SPONSORED BY TWO OR MORE EMPLOYERS WITHOUT THE PARTICIPATION OF A COLLECTIVE BARGAINING AGENT.

(I) “INDIVIDUAL JOINT APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM SPONSORED BY ONE EMPLOYER WITH THE PARTICIPATION OF A COLLECTIVE BARGAINING AGENT.

(J) “INDIVIDUAL NONJOINT APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM SPONSORED BY ONE EMPLOYER WITHOUT THE PARTICIPATION OF A COLLECTIVE BARGAINING AGENT.

(K) “REGISTERED APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM THAT:

(1) IS REGISTERED WITH AND APPROVED BY THE DIVISION OF WORKFORCE DEVELOPMENT AND ADULT LEARNING; AND

(2) IF THE PROGRAM HAS GRADUATED AT LEAST ONE APPRENTICESHIP COHORT, HAS A COMPLETION RATE OF AT LEAST 25%, AS VERIFIED BY THE DEPARTMENT.

~~(L)~~ (L) “Secretary” means the Secretary of Labor.

(M) “WAIVER APPRENTICESHIP PROGRAM” MEANS AN APPRENTICESHIP PROGRAM SPONSORED BY AN INDIVIDUAL OR GROUP OF EMPLOYERS WHERE THE APPLICABLE COLLECTIVE BARGAINING AGENT WAIVED PARTICIPATION.

14-802.

(a) This subtitle applies to a covered procurement made by a unit.

(b) A contractor awarded a covered procurement with an estimated total dollar value of \$1,000,000 or more shall utilize A REGISTERED APPRENTICESHIP PROGRAM OR an eligible internship program.

(c) [A contractor awarded a covered procurement shall utilize a registered apprenticeship program.

(d) The Chief Procurement Officer, in consultation with the Secretary and, for contracts subject to Title 3.5 of this article, the Secretary of Information Technology:

(1) shall adopt regulations establishing the definition of “covered procurement”; and

(2) may adopt:

(i) regulations to improve the recruitment or skills of employees of vendors; or

(ii) other regulations necessary to carry out this subtitle, including waiver processes.

17-201.

(a) In this subtitle, unless the context indicates otherwise, the following words have the meanings indicated.

(b) “Apprentice” means an individual who:

(1) is at least 16 years old;

(2) has signed with an employer or employer’s agent, an association of employers, an organization of employees, or a joint committee from both, an agreement including a statement of:

(i) the trade, craft, or occupation that the individual is learning; and

(ii) the beginning and ending dates of the apprenticeship; and

(3) is registered in a program of the Council or the Office of Apprenticeship of the United States Department of Labor.

(c) **“APPRENTICESHIP COHORT” HAS THE MEANING STATED IN § 14-801 OF THIS ARTICLE.**

(D) “Commissioner” means:

(1) the Commissioner of Labor and Industry;

(2) the Deputy Commissioner of Labor and Industry; or

(3) an authorized representative of the Commissioner.

(E) **“COMPLETION RATE” HAS THE MEANING STATED IN § 14-801 OF THIS ARTICLE.**

[(d)] (F) “Construction” includes all:

(1) building;

(2) reconstructing;

(3) improving;

(4) enlarging;

(5) painting and decorating;

- (6) altering;
- (7) maintaining;
- (8) repairing; and
- (9) services provided under a mechanical systems service contract.

[(e)] (G) “Council” means the Apprenticeship and Training Council.

[(f)] (H) (1) “Employee” means an apprentice or worker employed by a contractor or subcontractor under a public work contract.

(2) “Employee” does not include an individual employed by a public body.

(I) “GROUP JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(J) “GROUP NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(K) “INDIVIDUAL JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(L) “INDIVIDUAL NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

[(g)] (M) (1) “Locality” means the county in which the work is to be performed.

(2) If the public work is located within 2 or more counties, the locality includes all counties in which the public work is located.

[(h)] (N) “Mechanical systems service contract” means a contract for:

(1) HVAC systems, including heating, ventilation, ductwork, and cooling/air-conditioning equipment;

(2) refrigeration systems;

(3) plumbing systems, including pipes, tanks, fittings, and other elements that control the water and gas supply, heating, and sanitation of a building;

(4) electrical systems, including electrical components that supply, distribute, generate, and use electrical power, overhead and underground lines, poles, transformers, and other related equipment; and

(5) elevator systems, including escalators, moving walkways, and other conveyances.

[i] (O) “Prevailing wage rate” means the hourly rate of wages paid in the locality as determined by the Commissioner under § 17–208 of this subtitle.

[i] (P) (1) “Public body” means:

(i) the State;

(ii) except as provided in paragraph (2)(i) of this subsection, a unit of the State government or instrumentality of the State;

(iii) any political subdivision, agency, person, or entity with respect to the construction of any public work for which 25% or more of the money used for construction is State money;

(iv) notwithstanding paragraph (2)(ii) of this subsection, a political subdivision if its governing body:

1. provides by ordinance or resolution that the political subdivision is covered by this subtitle; and

2. gives written notice of that ordinance or resolution to the Commissioner; and

(v) the Washington Suburban Sanitary Commission.

(2) “Public body” does not include:

(i) except as provided in paragraph (1)(v) of this subsection, a unit of the State government or instrumentality of the State funded wholly from a source other than the State; or

(ii) any political subdivision, agency, person, or entity with respect to the construction of any public work for which less than 25% of the money used for construction is State money.

[k] (Q) (1) Subject to paragraph (2) of this subsection, “public work” means a structure or work, including a bridge, building, ditch, road, alley, waterwork, or sewage disposal plant, that:

- (i) is constructed for public use or benefit; or
- (ii) is paid for wholly or partly by public money.

(2) “Public work” does not include:

(i) unless let to contract, a structure or work whose construction is performed by a public service company under order of the Public Service Commission or other public authority regardless of:

- 1. public supervision or direction; or
- 2. payment wholly or partly from public money; or

(ii) a capital project that receives State funds in the annual State capital budget as:

- 1. a local House of Delegates initiative; or
- 2. a local Senate initiative.

~~[(l)]~~ **(R)** “Public work contract” means a contract for construction of a public work.

(S) “WAIVER APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14-801 OF THIS ARTICLE.

~~[(m)]~~ **(T)** “Worker” means a laborer or mechanic.

17-205.

(a) A contractor or subcontractor under a public work contract subject to this subtitle:

(1) shall employ only competent workers and apprentices who qualify under subsection (b) of this section;

(2) may not employ any individual classified as a helper or trainee; and

(3) may refuse to employ a worker who is a resident of another state if the Commissioner finds that the other state enforces a law that prohibits a resident of this State from employment as a worker under a public work contract in that state, unless:

(i) the refusal is in conflict or otherwise inconsistent with a federal law applicable to the public work;

(ii) the federal government is to pay wholly or partly for the public work; and

(iii) the inconsistency with federal law jeopardizes the availability of federal funds for the public work.

(b) An apprentice under a public work contract shall be part of and used in accordance with an apprenticeship program **THAT:**

(1) IS registered with the Council and approved by the Office of Apprenticeship of the United States Department of Labor; AND

(2) IF THE PROGRAM HAS GRADUATED AT LEAST ONE APPRENTICESHIP COHORT, HAS A COMPLETION RATE OF AT LEAST 25%, AS DETERMINED BY THE MARYLAND DEPARTMENT OF LABOR.

~~17-601.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) "Apprenticeship training program" means an apprenticeship training program that:~~

~~(1) is registered with, and approved by, the Apprenticeship and Training Council or the U.S. Department of Labor; AND~~

~~(2) HAS A COMPLETION RATE OF AT LEAST 25%, AS DETERMINED BY THE DEPARTMENT.~~

~~(c) "Department" means the Maryland Department of Labor.~~

~~(f) "Fund" means the State Apprenticeship Training Fund established under § 17-602 of this subtitle.~~

~~(g) "Participates in an apprenticeship training program" means that a contractor or subcontractor makes regular financial contributions for each covered craft to apprenticeship training programs for covered crafts during the term of the covered project that are at least equal to the hourly fringe benefit contribution rates required for apprenticeship training by the applicable prevailing wage determination for the project, as specified by the Secretary.~~

~~(h) "Secretary" means the Secretary of Labor.~~

17-601.

(a) In this subtitle the following words have the meanings indicated.

(b) “APPRENTICESHIP COHORT” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(C) “Apprenticeship training program” means an apprenticeship training program that:

(1) is registered with, and approved by, the Apprenticeship and Training Council or the U.S. Department of Labor; AND

(2) IF THE PROGRAM HAS GRADUATED AT LEAST ONE APPRENTICESHIP COHORT, HAS A COMPLETION RATE OF AT LEAST 25%, AS VERIFIED BY THE DEPARTMENT.

(D) “COMPLETION RATE” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

[(c)] (E) “Covered craft” means a classification of workers listed in the prevailing wage determination applicable to the covered project.

[(d)] (F) “Covered project” means a project for the construction of a public work, as defined under § 17–201 of this title, that is valued at \$500,000 or more.

[(e)] (G) “Department” means the Maryland Department of Labor.

[(f)] (H) “Fund” means the State Apprenticeship Training Fund established under § 17–602 of this subtitle.

(I) “GROUP JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(J) “GROUP NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(K) “INDIVIDUAL JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(L) “INDIVIDUAL NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

[(g)] (M) “Participates in an apprenticeship training program” means that a contractor or subcontractor makes regular financial contributions for each covered craft to apprenticeship training programs for covered crafts during the term of the covered project

that are at least equal to the hourly fringe benefit contribution rates required for apprenticeship training by the applicable prevailing wage determination for the project, as specified by the Secretary.

[(h)] (N) “Secretary” means the Secretary of Labor.

(O) “WAIVER APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14-801 OF THIS ARTICLE.

17-602.

(a) There is a State Apprenticeship Training Fund in the Department.

(b) The Fund consists of:

(1) payments made by contractors or subcontractors in accordance with this subtitle and Subtitle 6A of this title;

(2) penalties collected as a result of violations of this subtitle and Subtitle 6A of this title; and

(3) penalties collected as a result of violations of Title 14, Subtitle 8 of this article.

(c) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of this article.

(d) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(e) The Secretary shall use money in the fund to:

(1) promote preapprenticeship programs and other workforce development programs in the State’s public secondary schools and community colleges that assist students in preparing for and entering apprenticeship training programs; and

(2) pay any costs associated with carrying out the provisions of this subtitle and Subtitle 6A of this title or Title 14, Subtitle 8 of this article.

17-603.

(a) A contractor that is awarded a procurement contract for a covered project shall provide to a unit, as a condition of receiving the contract, written verification that:

(1) the contractor participates in an apprenticeship training program for each covered craft in which it will employ persons for the covered project;

(2) the contractor will make payments to the Fund; or

(3) the contractor will make payments in amounts determined under § 17-605 of this subtitle to a registered apprenticeship program or to an organization that has registered apprenticeship programs for the purpose of supporting these programs.

17-604.

(a) A subcontractor that performs work at a value exceeding the small procurement amount specified in § 13-109 of this article for a covered project shall provide to a unit written verification that:

(1) the subcontractor participates in an apprenticeship training program for each covered craft in which it will employ persons for the covered project;

(2) the subcontractor will make payments to the Fund; or

(3) the subcontractor will make payments in amounts determined under § 17-605 of this subtitle to a registered apprenticeship program or to an organization that has registered apprenticeship programs for the purpose of supporting these programs.

~~17-6A-01.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(d) "Department" means the Maryland Department of Labor.~~

~~(e) "Fund" means the State Apprenticeship Training Fund established under § 17-602 of this title.~~

~~(f) "Registered apprenticeship program" means an apprenticeship program that:~~

~~(1) is registered with, and approved by, the Department or the United States Department of Labor; AND~~

~~(2) HAS A COMPLETION RATE OF AT LEAST 25%, AS DETERMINED BY THE DEPARTMENT.~~

17-6A-01.

(a) In this subtitle the following words have the meanings indicated.

(B) "APPRENTICESHIP COHORT" HAS THE MEANING STATED IN § 14-801 OF THIS ARTICLE.

(C) “COMPLETION RATE” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

[(b)] (D) “Construction” includes:

- (1) building;
- (2) reconstructing;
- (3) improving;
- (4) enlarging;
- (5) painting and decorating;
- (6) altering;
- (7) maintaining; and
- (8) repairing.

[(c)] (E) (1) “Covered contract” means a contract:

- (i) for a capital construction project funded with at least \$1,000,000 of funds in the State capital budget;
- (ii) entered into by the recipient of the funding in the State capital budget and a contractor, or the contractor and a subcontractor; and
- (iii) for an amount of \$500,000 or more.

(2) “Covered contract” does not include a contract for a covered project as defined in § 17–601(d) of this title.

[(d)] (F) “Department” means the Maryland Department of Labor.

[(e)] (G) “Fund” means the State Apprenticeship Training Fund established under § 17–602 of this title.

(H) “GROUP JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(I) “GROUP NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(J) “INDIVIDUAL JOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

(K) “INDIVIDUAL NONJOINT APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

[(f)] (L) “Registered apprenticeship program” means an apprenticeship program that:

(1) is registered with, and approved by, the Department or the United States Department of Labor; AND

(2) IF THE PROGRAM HAS GRADUATED AT LEAST ONE APPRENTICESHIP COHORT, HAS A COMPLETION RATE OF AT LEAST 25%, AS VERIFIED BY THE DEPARTMENT.

[(g)] (M) “Secretary” means the Secretary of Labor.

(N) “WAIVER APPRENTICESHIP PROGRAM” HAS THE MEANING STATED IN § 14–801 OF THIS ARTICLE.

17–6A–02.

(a) Except as provided in subsection (b) of this section, each contractor or subcontractor awarded a covered contract shall:

(1) (i) be affiliated with a registered apprenticeship program; and

(ii) use apprentices from a registered apprenticeship program for each craft or trade in which the contractor or subcontractor employs persons to complete the covered contract;

(2) make payments to the Fund; or

(3) make payments in amounts determined under § 17–6A–03 of this subtitle to a registered apprenticeship program for the purpose of supporting the program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, May 12, 2026.