

# HOUSE BILL 317

C8, P2, K3

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By: **Delegate Stewart**

Introduced and read first time: January 15, 2026

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Recipients of Economic Development Assistance or State Contracts –**  
3 **Certification of Compliance With State Labor Laws**

4 FOR the purpose of requiring certain persons that receive certain State economic  
5 development assistance to make a certification each year that the person was not the  
6 subject of a final adverse determination concerning a certain obligation and is not  
7 currently failing to comply with certain outstanding requirements under a prior final  
8 judgment or order; requiring a certain unit of State government to initiate a certain  
9 pause on disbursements or approvals of certain economic development assistance or  
10 new or renewals of certain State contracts under certain circumstances; requiring a  
11 certain unit to remove a certain pause if certain circumstances are met; authorizing  
12 the taking of certain actions if a person willfully files a false certification; providing  
13 that this Act does not create a new audit program; authorizing certain units to release  
14 certain information about certain persons required to make the certification; and  
15 generally relating to certifications required of persons receiving State economic  
16 development assistance or that have entered into certain contracts.

17 BY adding to  
18 Article – Economic Development  
19 Section 5–108  
20 Annotated Code of Maryland  
21 (2024 Replacement Volume and 2025 Supplement)

22 BY adding to  
23 Article – State Finance and Procurement  
24 Section 17–1001 and 17–1002 to be under the new subtitle “Subtitle 10. Certification  
25 of Compliance With Labor Laws”  
26 Annotated Code of Maryland  
27 (2021 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

**Article – Economic Development**

**5–108.**

**IF A PERSON IS REQUIRED TO FILE AN ANNUAL CERTIFICATION UNDER § 17–1001 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE PERSON IS NOT ELIGIBLE TO RECEIVE PAYMENT OF A STATE ECONOMIC DEVELOPMENT GRANT, LOAN, LOAN GUARANTEE, OR TAX CREDIT IN A FISCAL YEAR UNTIL THE PERSON HAS FILED THE ANNUAL CERTIFICATION APPLICABLE FOR THAT FISCAL YEAR.**

**Article – State Finance and Procurement**

**SUBTITLE 10. CERTIFICATION OF COMPLIANCE WITH LABOR LAWS.**

**17–1001.**

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “ADMINISTERING AGENCY” MEANS A STATE AGENCY OR UNIT THAT ADMINISTERS:**

**(1) ECONOMIC DEVELOPMENT ASSISTANCE; OR**

**(2) A STATE PROCUREMENT CONTRACT.**

**(C) “COVERED OBLIGATIONS” MEANS, TO THE EXTENT APPLICABLE TO A COVERED RECIPIENT’S OPERATIONS IN THE STATE, REQUIREMENTS UNDER TITLE 3, SUBTITLES 2, 3, 4, 5, 8, AND 9 OF THE LABOR AND EMPLOYMENT ARTICLE.**

**(D) “COVERED RECIPIENT” MEANS A PERSON THAT, IN THE PRECEDING FISCAL YEAR:**

**(1) RECEIVED \$100,000 OR MORE IN ECONOMIC DEVELOPMENT ASSISTANCE; OR**

**(2) HELD AGGREGATE STATE PROCUREMENT CONTRACTS OF \$250,000 OR MORE.**

(E) "ECONOMIC DEVELOPMENT ASSISTANCE" MEANS ANY STATE PROGRAM THAT PROVIDES BUSINESS OR ECONOMIC DEVELOPMENT SUPPORT, INCLUDING GRANTS, LOANS, LOAN GUARANTEES, OR TAX CREDITS.

(F) "FINAL ADVERSE DETERMINATION" MEANS:

(1) A FINAL NONAPPEALABLE COURT JUDGMENT OR ADMINISTRATIVE ORDER FINDING A VIOLATION OF A COVERED OBLIGATION; OR

(2) A SETTLEMENT THAT INCLUDES AN ADMISSION OR STIPULATED FINDING OF A VIOLATION OF A COVERED OBLIGATION.

(G) "PAUSE" MEANS A TEMPORARY INELIGIBILITY OF A COVERED RECIPIENT TO RECEIVE:

(1) NEW DISBURSEMENTS OF PREVIOUSLY APPROVED STATE ECONOMIC DEVELOPMENT ASSISTANCE;

(2) NEW APPROVALS OF STATE ECONOMIC DEVELOPMENT ASSISTANCE; OR

(3) NEW CONTRACT AWARDS OR RENEWALS OF EXISTING CONTRACTS.

17-1002.

(A) (1) ON OR BEFORE JULY 1 EACH YEAR BEGINNING IN 2027, EACH COVERED RECIPIENT SHALL FILE WITH THE ADMINISTERING AGENCY A CERTIFICATION SIGNED BY AN AUTHORIZED OFFICER STATING THAT, TO THE SIGNER'S KNOWLEDGE AFTER REASONABLE INQUIRY, DURING THE YEAR PRECEDING THE CERTIFICATION DATE, THE COVERED RECIPIENT:

(I) WAS NOT THE SUBJECT OF A FINAL ADVERSE DETERMINATION CONCERNING A COVERED OBLIGATION; AND

(II) IS NOT CURRENTLY FAILING TO COMPLY WITH ANY OUTSTANDING REQUIREMENT UNDER A PRIOR FINAL JUDGMENT OR ORDER CONCERNING A COVERED OBLIGATION.

(2) A CERTIFICATION MAY BE SUBMITTED ELECTRONICALLY THROUGH A STATE VENDOR OR INCENTIVE PORTAL DESIGNATED BY THE BOARD OF PUBLIC WORKS OR THE DEPARTMENT OF COMMERCE.

**(B) (1) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IF A COVERED RECIPIENT DOES NOT FILE THE CERTIFICATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION THE ADMINISTERING AGENCY SHALL SEND WRITTEN NOTICE TO THE COVERED RECIPIENT THAT THE COVERED RECIPIENT HAS 30 DAYS TO COMPLY WITH THE CERTIFICATION REQUIREMENT.**

**(2) IF A COVERED RECIPIENT DOES NOT FILE THE CERTIFICATION WITHIN 30 DAYS AFTER THE NOTICE IS SENT, THE ADMINISTERING AGENCY SHALL INITIATE A PAUSE OF THE COVERED RECIPIENT TO REMAIN IN EFFECT UNTIL:**

**(I) THE CERTIFICATION IS FILED; AND**

**(II) IF THE COVERED RECIPIENT WAS UNABLE TO MAKE THE CERTIFICATION DUE TO THE FAILURE TO COMPLY WITH A FINAL ADVERSE DETERMINATION, PRIOR FINAL JUDGMENT, OR ORDER CONCERNING A COVERED OBLIGATION, THE LATER OF:**

**1. 12 MONTHS AFTER THE DATE OF THE MOST RECENT FINAL ADVERSE DETERMINATION; OR**

**2. THE COVERED RECIPIENT'S COMPLETION OF ALL CORRECTIVE ACTIONS AND PAYMENTS REQUIRED BY THE PRIOR FINAL ADVERSE DETERMINATION OR ORDER.**

**(C) NOTHING IN THIS SECTION REQUIRES:**

**(1) A COVERED RECIPIENT TO REIMBURSE ANY FUNDS PREVIOUSLY RECEIVED; OR**

**(2) THE TERMINATION OF EXISTING CONTRACTS.**

**(D) AN AGENCY MAY NOT INITIATE A PAUSE DUE TO A FINAL ADVERSE DETERMINATION IF:**

**(1) TOTAL MONETARY RELIEF, INCLUDING WAGES, PENALTIES, AND CONTRIBUTIONS, IS LESS THAN \$5,000;**

**(2) THERE IS NO FINDING OF WILLFULNESS, CHILD LABOR, OR MISCLASSIFICATION; AND**

**(3) THE RECIPIENT PAID THE MONETARY RELIEF IN FULL WITHIN 30 DAYS AFTER THE DETERMINATION.**

1           **(E) A WILLFULLY FALSE CERTIFICATION MAY:**

2                   **(1) BE REFERRED TO THE OFFICE OF THE ATTORNEY GENERAL UNDER**  
3 **THE MARYLAND FALSE CLAIMS ACT; AND**

4                   **(2) CONSTITUTE GROUNDS FOR SUSPENSION OR DEBARMENT UNDER**  
5 **TITLE 16 OF THIS ARTICLE.**

6           **(F) A PAUSE UNDER THIS SECTION MAY NOT BE CONSIDERED TO BE A**  
7 **PENALTY.**

8           **(G) (1) THIS SECTION DOES NOT CREATE A NEW AUDIT PROGRAM.**

9                   **(2) THE BOARD OF PUBLIC WORKS MAY ADOPT A SINGLE-QUESTION**  
10 **MODEL CERTIFICATION FORM AND INTEGRATE FILING INTO EXISTING PORTALS.**

11           **(H) AN ADMINISTERING AGENCY MAY PUBLISH A LIST INDICATING WHICH**  
12 **COVERED RECIPIENTS:**

13                   **(1) HAVE COMPLIED WITH THE CERTIFICATION REQUIREMENT; OR**

14                   **(2) ARE PAUSED IN ACCORDANCE WITH THIS SECTION.**

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