

HOUSE BILL 1352

P2
HB 957/25 – HGO & ECM

6lr1433

By: **Delegate Wilson**

Introduced and read first time: February 12, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement – Worker Residency Requirements**

3 FOR the purpose of requiring certain contractors to ensure that a certain percentage of
4 work hours on certain projects are performed by State residents; requiring the
5 Department of Labor to enforce certain worker residency requirements; providing
6 that a person may be debarred from entering into a contract with the State for a
7 certain period of time under certain circumstances; and generally relating to State
8 procurement and worker residency requirements.

9 BY repealing and reenacting, with amendments,
10 Article – State Finance and Procurement
11 Section 16–203 and 17–602
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2025 Supplement)

14 BY adding to
15 Article – State Finance and Procurement
16 Section 17–6B–01 through 17–6B–06 to be under the new subtitle “Subtitle 6B.
17 Worker Residency Requirements”
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2025 Supplement)

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

22 **Article – State Finance and Procurement**

23 16–203.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) A person may be debarred from entering into a contract with the State if the
2 person, an officer, partner, controlling stockholder or principal of that person, or any other
3 person substantially involved in that person's contracting activities has:

4 (1) been convicted under the laws of the State, another state or the United
5 States of:

6 (i) a criminal offense incident to obtaining, attempting to obtain, or
7 performing a public or private contract, except as provided in § 16–202 of this subtitle; or

8 (ii) fraud, embezzlement, theft, forgery, falsification or destruction
9 of records, or receiving stolen property;

10 (2) been convicted of a criminal violation of an antitrust statute of the
11 State, another state, or the United States;

12 (3) been convicted of a violation of the Racketeer Influenced and Corrupt
13 Organization Act, or the Mail Fraud Act, for acts in connection with the submission of bids
14 or proposals for a public or private contract;

15 (4) been convicted of a violation of § 14–308 of this article;

16 (5) been convicted of conspiracy to commit any act or omission that would
17 constitute grounds for conviction under any of the laws or statutes described in items (1),
18 (2), (3), or (4) of this subsection;

19 (6) been convicted of a violation of § 7201, § 7203, § 7205, § 7206, or § 7207
20 of the Internal Revenue Code;

21 (7) been convicted of a violation of 18 U.S.C. § 286, § 287, or § 371;

22 (8) been convicted of a violation of Title 13, Subtitle 7 or Subtitle 10 of the
23 Tax – General Article;

24 (9) been found to have willfully or knowingly violated Title 17, Subtitle 2
25 or Title 18 of this article if:

26 (i) 1. the finding was made by a court; and

27 2. the decision of the court became final; or

28 (ii) 1. the finding was made in a contested case under the
29 Administrative Procedure Act; and

30 2. the finding was not overturned on judicial review;

1 (10) been found to have willfully or knowingly violated Title 3, Subtitle 3,
2 Subtitle 4, or Subtitle 5 or Title 5 of the Labor and Employment Article if:

3 (i) 1. the finding was made by a court; and

4 2. the decision of the court became final; or

5 (ii) 1. the finding was made in a contested case under the
6 Administrative Procedure Act; and

7 2. the finding was not overturned on judicial review;

8 (11) been found civilly liable under an antitrust statute of the State, another
9 state, or the United States for acts or omissions in connection with the submission of bids
10 or proposals for a public or private contract;

11 (12) been found to have willfully or knowingly violated Title 20, Subtitle 6
12 of the State Government Article if:

13 (i) 1. the finding was made by a court; and

14 2. the decision of the court became final; or

15 (ii) 1. the finding was made in a contested case under the
16 Administrative Procedure Act; and

17 2. the finding was not overturned on judicial review; or

18 (13) been found in a final adjudicated decision to have violated the
19 Commercial Nondiscrimination Policy under Title 19 of this article with regard to a public
20 or private contract.

21 (b) A person may be debarred from entering into a contract with the State if,
22 during the course of an official investigation or other proceedings, the person, an officer,
23 partner, controlling stockholder or principal of that person, or any other person
24 substantially involved in that person's contracting activities has admitted, in writing or
25 under oath, an act or omission that constitutes grounds for conviction or liability under any
26 law or statute described in subsection (a) of this section.

27 (c) A person may be debarred from entering into a contract with the State if the
28 person, an officer, partner, controlling stockholder or principal of that person, or any other
29 person substantially involved in that person's contracting activities has been debarred from
30 federal contracts under:

31 (1) the Federal Acquisition Regulations, as provided in 48 C.F.R. Chapter
32 1; or

1 (2) federal Executive Order 11246, as amended due to discriminatory
2 hiring practices in the State.

3 (d) A person may be debarred from entering into a contract with the State:

4 (1) if the Board finds that the person was established or operates in a
5 manner designed to evade the application of this title or to defeat the purpose of this title;

6 (2) if the person is a successor, assignee, subsidiary, or affiliate of a person
7 who is debarred or suspended;

8 (3) except as provided under item (4) of this subsection, for one of the
9 following violations of a contract provision if the Board believes it to be serious enough to
10 justify debarment:

11 (i) the deliberate failure, without good cause, to perform in
12 accordance with the specifications, or within the time limit, provided in a contract; or

13 (ii) within the preceding 5 years, the failure to perform or
14 unsatisfactory performance in accordance with the terms of one or more contracts, unless
15 the failure to perform or unsatisfactory performance was caused by acts beyond the control
16 of the person;

17 (4) for a period not exceeding 3 years if the person persistently fails to meet
18 contract goals in the absence of mitigating factors under the criteria established under §
19 14–305(c)(2) of this article;

20 **(5) FOR A PERIOD NOT EXCEEDING 5 YEARS IF THE PERSON IS FOUND**
21 **TO HAVE VIOLATED THE REQUIREMENTS OF § 17–6B–03 OF THIS ARTICLE FIVE**
22 **TIMES IN A 5–YEAR PERIOD;**

23 ~~[(5)]~~ **(6)** if the person is a competing contractor, or any officer, employee,
24 representative, agent, or consultant of any competing contractor who violates § 13–211 of
25 this article; or

26 ~~[(6)]~~ **(7)** for any other cause that the Board determines to be so serious as
27 to affect the integrity of the procurement process.

28 17–602.

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

30 (b) The Fund consists of:

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

1 (2) penalties collected as a result of violations of this subtitle and [Subtitle]
2 **SUBTITLES 6A AND 6B** of this title; and

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

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

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

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

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

13 (2) pay any costs associated with carrying out the provisions of this subtitle
14 and [Subtitle] **SUBTITLES 6A AND 6B** of this title or Title 14, Subtitle 8 of this article.

15 **SUBTITLE 6B. WORKER RESIDENCY REQUIREMENTS.**

16 **17-6B-01.**

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

19 (B) "APPRENTICESHIP HOUR" MEANS 1 HOUR OF TIME SPENT IN AN
20 APPRENTICESHIP PROGRAM AND MAY INCLUDE OBSERVATION, PERFORMING WORK,
21 OR WORK-RELATED DISCUSSION.

22 (C) "COVERED LARGE PROJECT" MEANS A PUBLIC WORK CONTRACT
23 SUBJECT TO SUBTITLE 2 OF THIS TITLE THAT IS VALUED AT \$5,000,000 OR MORE.

24 (D) "DEPARTMENT" MEANS THE MARYLAND DEPARTMENT OF LABOR.

25 (E) "REGISTERED APPRENTICESHIP PROGRAM" MEANS AN
26 APPRENTICESHIP PROGRAM REGISTERED WITH THE DIVISION OF WORKFORCE
27 DEVELOPMENT AND ADULT LEARNING WITHIN THE DEPARTMENT.

28 (F) "SECRETARY" MEANS THE SECRETARY OF LABOR.

29 **17-6B-02.**

1 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS
2 SUBTITLE APPLIES ONLY TO:

3 (1) CONTRACTORS AWARDED A STATE CONTRACT THAT IS A COVERED
4 LARGE PROJECT; AND

5 (2) COVERED LARGE PROJECTS LOCATED IN:

6 (I) ANNE ARUNDEL COUNTY;

7 (II) BALTIMORE CITY;

8 (III) BALTIMORE COUNTY;

9 (IV) HOWARD COUNTY;

10 (V) MONTGOMERY COUNTY; AND

11 (VI) PRINCE GEORGE'S COUNTY.

12 (B) THIS SUBTITLE DOES NOT APPLY TO A STATE CONTRACT FOR WHICH
13 THE FEDERAL GOVERNMENT PROVIDES MONEY.

14 **17-6B-03.**

15 (A) A CONTRACTOR THAT IS AWARDED A PROCUREMENT CONTRACT FOR A
16 COVERED LARGE PROJECT SHALL ENSURE THAT, FOR THE APPLICABLE PROJECT,
17 AT LEAST 35% OF APPRENTICESHIP HOURS ARE PERFORMED BY STATE RESIDENTS.

18 (B) AS A CONDITION OF RECEIVING THE CONTRACT, A CONTRACTOR
19 SUBJECT TO THIS SUBTITLE SHALL PROVIDE TO THE UNIT AND THE DEPARTMENT A
20 STATEMENT ATTESTING THAT THE CONTRACTOR SHALL MEET THE REQUIREMENTS
21 OF THIS SECTION FOR THE APPLICABLE PROJECT.

22 **17-6B-04.**

23 (A) THE SECRETARY MAY ADOPT REGULATIONS AUTHORIZING A
24 CONTRACTOR, AS AN ALTERNATIVE TO FULFILLING THE REQUIREMENTS OF §
25 17-6B-03 OF THIS SUBTITLE, TO ELECT TO MAKE A CONTRIBUTION TO:

26 (1) THE STATE APPRENTICESHIP TRAINING FUND ESTABLISHED
27 UNDER § 17-602 OF THIS TITLE; OR

28 (2) A REGISTERED APPRENTICESHIP PROGRAM OPERATING AND
29 TRAINING APPRENTICES IN THE STATE.

1 **(B) THE DEPARTMENT IS RESPONSIBLE FOR ENFORCING THE**
2 **REQUIREMENTS OF THIS SUBTITLE.**

3 **(C) WHEN DETERMINING COMPLIANCE WITH THIS SUBTITLE, APPLICABLE**
4 **PERCENTAGES ESTABLISHED UNDER § 17-6B-03 OF THIS SUBTITLE SHALL BE**
5 **CALCULATED BY ROUNDING TO THE NEAREST WHOLE NUMBER.**

6 **17-6B-05.**

7 **A CONTRACTOR THAT EXCEEDS THE REQUIREMENTS OF § 17-6B-03(A) OF**
8 **THIS SUBTITLE ON A CONTRACT MAY APPLY THE EXCESS APPRENTICESHIP HOURS**
9 **TO ANOTHER CONTRACT SUBJECT TO THIS SUBTITLE THAT IS ENTERED INTO BY THE**
10 **CONTRACTOR WITHIN 2 YEARS AFTER THE COMPLETION OF THE FIRST CONTRACT.**

11 **17-6B-06.**

12 **(A) A CONTRACTOR THAT FAILS TO MEET THE REQUIREMENTS OF THIS**
13 **SUBTITLE SHALL BE LIABLE FOR AN AMOUNT EQUAL TO TWICE THE NUMBER OF**
14 **APPRENTICESHIP HOURS AT THE APPRENTICE RATE BY WHICH THE CONTRACTOR**
15 **FAILED TO MEET THE APPLICABLE REQUIREMENT.**

16 **(B) PAYMENTS COLLECTED UNDER THIS SECTION SHALL BE PAID TO:**

17 **(1) THE STATE APPRENTICESHIP TRAINING FUND ESTABLISHED**
18 **UNDER § 17-602 OF THIS TITLE; OR**

19 **(2) A REGISTERED APPRENTICESHIP PROGRAM OPERATING AND**
20 **TRAINING APPRENTICES IN THE STATE OR AN ORGANIZATION THAT HAS**
21 **REGISTERED APPRENTICESHIP PROGRAMS LOCATED IN THE STATE, FOR THE**
22 **PURPOSE OF SUPPORTING THESE PROGRAMS.**

23 **(C) THE SECRETARY SHALL ADOPT REGULATIONS TO ESTABLISH**
24 **ADMINISTRATIVE PROCEDURES FOR THE COLLECTION AND DISTRIBUTION OF**
25 **PAYMENTS UNDER THIS SECTION.**

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