

SENATE BILL 60

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(PRE-FILED)

6lr0115

CF 6lr0116

By: **Chair, Finance Committee (By Request – Departmental – Labor)**

Requested: September 16, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Fraud Prevention, Prevailing Wage, and Living Wage – Prohibitions, Penalties,**
3 **and Enforcement**

4 FOR the purpose of prohibiting a person from knowingly making or using, or causing to be
5 made or used, a false record or statement resulting in underpayments of
6 unemployment insurance contributions or payment of unemployment insurance
7 benefits of more than a certain amount; requiring the Comptroller to deposit into the
8 Unemployment Insurance Fund certain civil penalties or damages collected under
9 the Maryland False Claims Act (MFCA); requiring that certain civil penalties and
10 damages be used in a certain manner if a violation of the MFCA involves the failure
11 to pay prevailing wage rates; requiring the Commissioner of Labor and Industry and
12 the Attorney General to take certain actions related to the enforcement of the MFCA,
13 workplace fraud laws, prevailing wage laws, and living wage laws; altering certain
14 enforcement mechanisms related to workplace fraud laws, prevailing wage laws, and
15 living wage laws, including authorizing the Attorney General to investigate and
16 bring suit in a certain manner; requiring a licensing authority to revoke or suspend
17 the license of a licensee for a certain workplace fraud violation under certain
18 circumstances; altering the circumstances under which a person may be debarred
19 under State procurement law; and generally relating to fraud prevention,
20 debarment, prevailing wages, and living wages.

21 BY repealing and reenacting, with amendments,
22 Article – General Provisions
23 Section 8–102(a) and (b)(8) and (9) and 8–109(b) and (c)
24 Annotated Code of Maryland
25 (2019 Replacement Volume and 2025 Supplement)

26 BY adding to
27 Article – General Provisions
28 Section 8–102(b)(9)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 3–906, 3–908 through 3–910, and 3–913
Annotated Code of Maryland
(2025 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – Labor and Employment
Section 3–911
Annotated Code of Maryland
(2025 Replacement Volume)

BY adding to
Article – Labor and Employment
Section 3–912
Annotated Code of Maryland
(2025 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 16–203(a)(9) and (10), 17–221(g), 17–224, 18–107, and 18–109
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to
Article – State Finance and Procurement
Section 18–110
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 – General Provisions

8–102.

(a) **[This] EXCEPT AS PROVIDED IN SUBSECTION (B)(9) OF THIS SECTION,**
THIS section does not apply to claims, records, or statements related to State or local taxes.

(b) A person may not:

(8) knowingly conceal, or knowingly and improperly avoid or decrease, an
obligation to pay or transmit money or other property to a governmental entity, including

misrepresenting the time at which a trade was made to make the transaction appear less favorable; [or]

(9) KNOWINGLY MAKE, USE, OR CAUSE TO BE MADE OR USED, A FALSE RECORD OR STATEMENT RESULTING IN:

(I) THE UNDERPAYMENT OF CONTRIBUTIONS OWED TO THE UNEMPLOYMENT INSURANCE FUND; OR

(II) THE PAYMENT OF UNEMPLOYMENT INSURANCE BENEFITS OF MORE THAN \$15,000 IN A CALENDAR YEAR; OR

[(9)] (10) knowingly make any other false or fraudulent claim against a governmental entity.

8–109.

(b) (1) **(I)** The governmental entity shall make all reasonable efforts to coordinate any investigation of an alleged violation under this title with any investigation conducted by the federal government involving the same violation.

(II) THE COMMISSIONER OF LABOR AND INDUSTRY OR THE ATTORNEY GENERAL SHALL COOPERATE IN THE INVESTIGATION OF AN ALLEGED VIOLATION UNDER THIS TITLE THAT IS OF UNUSUAL SCOPE OR COMPLEXITY OR INVOLVES A NOVEL OR COMPLEX LEGAL ISSUE, IF:

1. THE GOVERNMENTAL ENTITY WITH INVESTIGATIVE AUTHORITY FOR THE ALLEGED VIOLATION IS THE COMMISSIONER OF LABOR AND INDUSTRY OR THE ATTORNEY GENERAL; AND

2. THE ALLEGED VIOLATION IS OF A NATURE AND SCOPE THAT COULD GIVE RISE TO A VIOLATION OR AN ACTION UNDER TITLE 3, SUBTITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE OR TITLE 16, TITLE 17, SUBTITLE 2, OR TITLE 18 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) The governmental entity's objective shall be to avoid unnecessary duplication of effort on the part of the person alleged to have committed the violation and to minimize the burden of the investigation on the person.

(c) (1) Except as provided under paragraph (2) of this subsection, the Comptroller shall deposit any civil penalty or damages collected by the State under this title into the General Fund of the State.

(2) (i) If a violation of this title affects any of the following funds, the Comptroller shall deposit any civil penalty or damages collected by the State under this title into the affected fund:

1. a fund that is not subject to § 7–302 of the State Finance and Procurement Article;

2. a special fund requiring the reversion of appropriated funds to the special fund under § 7–304 of the State Finance and Procurement Article;

3. a fund under the jurisdiction of the Board of Trustees for the State Retirement and Pension System; [or]

4. a fund under the jurisdiction of the State Employee and Retiree Health and Welfare Benefits Program; **OR**

5. THE UNEMPLOYMENT INSURANCE FUND.

(ii) If more than one fund is affected by a violation of this title, the Comptroller shall deposit any civil penalty or damages collected by the State into the appropriate fund or the General Fund of the State on a pro rata basis.

(III) IF A VIOLATION OF THIS TITLE INVOLVED THE FAILURE TO PAY PREVAILING WAGE RATES IN ACCORDANCE WITH TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, CIVIL PENALTIES AND DAMAGES COLLECTED UNDER THIS TITLE MAY BE USED TO PAY RESTITUTION TO AFFECTED WORKERS.

Article – Labor and Employment

3–906.

(a) [After] **WITHIN 90 DAYS AFTER** the employer has provided all the records requested under § 3–905(d) of this subtitle, the Commissioner shall:

(1) issue a citation to the employer;

(2) REFER THE MATTER TO THE ATTORNEY GENERAL IN ACCORDANCE WITH § 3–910 OF THIS SUBTITLE; or

(3) close the investigation [within 90 days].

(b) Each citation shall:

(1) describe in detail the nature of the alleged violation;

(2) cite the provision of this subtitle or any regulation that the employer is alleged to have violated; and

(3) state the civil penalty, if any, that the Commissioner proposes to assess.

(c) Within a reasonable time after issuance of a citation, the Commissioner shall send by certified mail to the employer:

(1) a copy of the citation; and

(2) notice of the opportunity to request a hearing.

(d) Within 15 days after an employer receives a notice under subsection (c) of this section, the employer may submit a written request for a hearing on the citation and proposed penalty.

(e) If a hearing is not requested within 15 days, the citation, including any penalties, shall become a final order of the Commissioner.

(f) (1) If the employer requests a hearing, the Commissioner shall delegate to the Office of Administrative Hearings the authority to hold a hearing and issue findings of fact, conclusions of law, and an order, and assess a penalty under § 3–909 of this subtitle in accordance with Title 10, Subtitle 2 of the State Government Article.

(2) The employer is entitled to a hearing within 90 days after a timely request is made under this subsection, unless the employer waives that right.

(g) Within 15 days after a request, in accordance with Title 4 of the General Provisions Article and the applicable regulations of the Department and the Office of Administrative Hearings, the Commissioner shall provide copies of all relevant evidence, including a list of potential witnesses, on which the Commissioner intends to rely at any administrative hearing under this subtitle.

(h) The Commissioner has the burden of proof to show that an employer has knowingly failed to properly classify an individual as an employee.

(i) A decision of an administrative law judge issued in accordance with Title 10, Subtitle 2 of the State Government Article shall become a final order of the Commissioner.

(j) Any party aggrieved by a final order of the Commissioner under subsection (i) of this section may seek judicial review and appeal under §§ 10–222 and 10–223 of the State Government Article.

(K) A GENERAL CONTRACTOR ON A PROJECT FOR CONSTRUCTION SERVICES, INCLUDING A PROJECT CONTRACTED FOR BY A PUBLIC BODY, IS SUBJECT TO CITATION AND JOINTLY AND SEVERALLY LIABLE FOR A VIOLATION OF THIS SUBTITLE THAT IS COMMITTED BY A SUBCONTRACTOR, REGARDLESS OF WHETHER

1 **THE SUBCONTRACTOR IS IN A DIRECT CONTRACTUAL RELATIONSHIP WITH THE**
2 **GENERAL CONTRACTOR.**

3 3–908.

4 (a) An employer in violation of § 3–903 of this subtitle who comes into timely
5 compliance with all applicable labor laws as required by § 3–907(b) of this subtitle may not
6 be assessed a civil penalty.

7 (b) (1) An employer in violation of § 3–903 of this subtitle who fails to come
8 into timely compliance with all applicable labor laws as required by § 3–907(b) of this
9 subtitle shall be assessed a civil penalty of up to \$1,000 for each employee for whom the
10 employer is not in compliance, **ONE–THIRD OF WHICH IS PAYABLE DIRECTLY TO THE**
11 **INDIVIDUAL AFFECTED BY THE EMPLOYER’S VIOLATION, IN ADDITION TO ANY**
12 **OTHER RESTITUTION OR BENEFIT TO WHICH THE INDIVIDUAL MAY BE ENTITLED**
13 **UNDER THIS SUBTITLE.**

14 (2) In determining the amount of the penalty, the Commissioner shall
15 consider the factors set forth in § 3–909(b) of this subtitle.

16 (c) (1) An employer may be assessed civil penalties under this section by only
17 one final order of a court or administrative unit for the same actions constituting
18 noncompliance with applicable labor laws as required by § 3–907(b) and (c) of this subtitle.

19 (2) Notwithstanding paragraph (1) of this subsection, an employer may be
20 ordered to make restitution, pay any interest due, and otherwise comply with all applicable
21 laws and regulations by multiple final orders of a court and all relevant administrative
22 units, including the Comptroller, the Office of Unemployment Insurance, the Insurance
23 Administration, and the Workers’ Compensation Commission.

24 (d) Any penalty issued under this section against an employer shall be in effect
25 against any successor corporation or business entity that:

26 (1) has one or more of the same principals or officers as the employer
27 against whom the penalty was assessed; and

28 (2) is engaged in the same or equivalent trade or activity.

29 3–909.

30 (a) An employer found to have knowingly failed to properly classify an individual
31 in violation of § 3–904 of this subtitle shall be assessed a civil penalty of up to \$10,000 for
32 each employee who was not properly classified, **ONE–THIRD OF WHICH IS PAYABLE**
33 **DIRECTLY TO THE INDIVIDUAL AFFECTED BY THE EMPLOYER’S VIOLATION, IN**
34 **ADDITION TO ANY OTHER RESTITUTION OR BENEFIT TO WHICH THE INDIVIDUAL MAY**
35 **BE ENTITLED UNDER THIS SUBTITLE.**

1 (b) In determining the amount of the penalty, the Commissioner or the
2 administrative law judge shall consider:

3 (1) the gravity of the violation;

4 (2) the size of the employer's business;

5 (3) the employer's good faith;

6 (4) the employer's history of violations under this subtitle; and

7 (5) whether the employer:

8 (i) has been found, by a court or an administrative unit, to have
9 deprived the employee of any rights to which the employee would have been entitled under
10 a State protective labor law, including but not limited to:

11 1. any provision of this article;

12 2. the State prevailing wage law, under §§ 17–221 and
13 17–222 of the State Finance and Procurement Article; or

14 3. the living wage law, under § 18–108 of the State Finance
15 and Procurement Article; and

16 (ii) has made restitution and come into compliance with all such
17 State protective labor laws with respect to the employee.

18 (c) If the court or an administrative unit determines that an individual or class
19 of individuals is entitled to restitution as a result of the employer's violation of § 3–904 of
20 this subtitle, the court or administrative unit:

21 (1) shall award each individual any restitution to which the individual may
22 be entitled; and

23 (2) may award each individual an additional amount up to three times the
24 amount of such restitution.

25 (d) An employer in violation of § 3–904 of this subtitle may be assessed double the
26 administrative penalties set forth in subsection (a) of this section if the employer has been
27 found previously to have violated this subtitle by a final order of a court or an
28 administrative unit.

29 (e) An employer who has been found by a final order of a court or an
30 administrative unit to have violated § 3–904 of this subtitle three or more times may be
31 assessed an administrative penalty of up to \$20,000 for each employee.

(f) (1) An employer may be assessed civil penalties under this section or § 8–201.1 or § 9–402.1 of this article by only one final order of a court or administrative unit for the same actions constituting a violation of this subtitle.

(2) Notwithstanding paragraph (1) of this subsection, an employer may be ordered to make restitution, pay any interest due, and otherwise comply with all applicable laws and regulations by orders of a court and all relevant administrative units, including the Comptroller, the Office of Unemployment Insurance, the Insurance Administration, and the Workers' Compensation Commission.

(g) Any penalty issued under this section against an employer shall be in effect against any successor corporation or business entity that:

(1) has one or more of the same principals or officers as the employer against whom the penalty was assessed, unless the principal or officer did not or with the exercise of reasonable diligence could not know of the violation for which the penalty was imposed; and

(2) is engaged in the same or equivalent trade or activity.

3–910.

(a) As authorized by State and federal law, units within the Maryland Department of Labor and the Department of Budget and Management, the Secretary of State, the Comptroller, the Maryland Insurance Administration, **THE OFFICE OF THE ATTORNEY GENERAL**, and other State agencies shall cooperate and share information concerning any suspected failure to properly classify an individual as an employee.

(b) On a showing by clear and convincing evidence that a violation of § 3–904 of this subtitle has occurred and as authorized by federal and State law, the Commissioner shall refer any complaint that alleges a violation of § 13–1007 or § 13–1024 of the Tax – General Article to the:

(1) Comptroller;

(2) State's Attorney with jurisdiction over the alleged violation;

(3) U.S. Department of Justice;

(4) U.S. Department of Labor; and

(5) U.S. Department of the Treasury.

(c) (1) TO ASSIST IN THE ENFORCEMENT OF THIS SUBTITLE, THE COMMISSIONER AND THE ATTORNEY GENERAL, OR THEIR DESIGNEES, SHALL MEET AT LEAST MONTHLY TO SHARE INFORMATION CONCERNING MATTERS ARISING

1 UNDER THIS SUBTITLE, TITLE 8 OF THE GENERAL PROVISIONS ARTICLE, AND
2 TITLES 16 AND 18 AND TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND
3 PROCUREMENT ARTICLE, INCLUDING AT A MINIMUM:

4 (I) THE CONTENT OF COMPLAINTS OR REFERRALS RECEIVED
5 CONCERNING POTENTIAL VIOLATIONS AND ACTIONS TAKEN; AND

6 (II) THE STATUS OF INVESTIGATIONS INITIATED, INCLUDING
7 ANY DETERMINATION OF MERIT OR RECOVERY SOUGHT OR OBTAINED.

8 (2) THE COMMISSIONER SHALL REFER TO THE ATTORNEY GENERAL
9 ANY COMPLAINT OR REFERRAL ARISING UNDER THIS SUBTITLE FOR WHICH THE
10 COMMISSIONER HAS:

11 (I) NOT INITIATED AN INVESTIGATION WITHIN 6 MONTHS
12 AFTER RECEIPT;

13 (II) DECLINED TO INVESTIGATE; OR

14 (III) NOT ISSUED A CITATION OR HAS CLOSED AN INVESTIGATION
15 IN ACCORDANCE WITH § 3-906(A) OF THIS SUBTITLE DUE TO A FINDING OF NO
16 MERIT.

17 (3) (I) IN A MATTER REFERRED TO THE ATTORNEY GENERAL
18 UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE ATTORNEY GENERAL MAY
19 EXERCISE THE COMMISSIONER'S INVESTIGATIVE POWERS, INCLUDING SUBPOENA
20 POWERS, PROVIDED UNDER THIS SUBTITLE.

21 (II) IF, AFTER AN INVESTIGATION, THE ATTORNEY GENERAL
22 FINDS A MATTER TO BE MERITORIOUS, THE ATTORNEY GENERAL SHALL PROVIDE
23 NOTICE TO AND CONSULT WITH THE COMMISSIONER, AFTER WHICH THE ATTORNEY
24 GENERAL MAY BRING AN ACTION FOR:

25 1. THE IMPOSITION OF CIVIL PENALTIES UNDER § 3-908
26 OR § 3-909 OF THIS SUBTITLE; OR

27 2. THE RELIEF DESCRIBED UNDER § 3-911(C) OF THIS
28 SUBTITLE.

29 (4) THE COMMISSIONER AND THE ATTORNEY GENERAL SHALL
30 COOPERATE IN THE INVESTIGATION OF ANY MATTER ARISING UNDER THIS
31 SUBTITLE THAT IS OF UNUSUAL SCOPE OR COMPLEXITY OR INVOLVES A NOVEL OR
32 COMPLEX LEGAL ISSUE.

1 3–911.

2 (a) (1) Except as provided in paragraph (2) of this subsection, an individual
3 who has not been properly classified as an employee may bring a civil action for economic
4 damages against the employer for any violation of this subtitle.

5 (2) An individual may not bring a civil action under this section if a final
6 order of an administrative unit or of a court has been issued under § 3–906 of this subtitle.

7 (b) An action filed under this section shall be filed within 3 years after the date
8 the cause of action accrues.

9 (c) If the court determines that an individual or class of individuals is entitled to
10 judgment in an action against an employer filed in accordance with this section, the court
11 may award each individual:

12 (1) any damages to which the individual may be entitled under subsection
13 (a) of this section;

14 (2) an additional amount up to three times the amount of any such
15 damages, if the employer knowingly failed to properly classify the individual;

16 (3) reasonable counsel fees and other costs of the action; and

17 (4) any other appropriate relief.

18 **3–912.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) “LICENSE” MEANS A LICENSE, CERTIFICATE, REGISTRATION,
22 PERMIT, OR OTHER AUTHORIZATION THAT:

23 (I) IS ISSUED BY A LICENSING AUTHORITY;

24 (II) IS SUBJECT TO SUSPENSION, REVOCATION, FORFEITURE,
25 OR TERMINATION BY A LICENSING AUTHORITY; AND

26 (III) IS NECESSARY FOR A PERSON TO PRACTICE OR ENGAGE IN
27 A PARTICULAR BUSINESS, OCCUPATION, OR PROFESSION.

28 (3) “LICENSEE” MEANS AN EMPLOYER HOLDING A VALID LICENSE.

1 (4) (I) “LICENSING AUTHORITY” MEANS A UNIT OF THE DIVISION
2 OF OCCUPATIONAL AND PROFESSIONAL LICENSING IN THE MARYLAND
3 DEPARTMENT OF LABOR.

4 (II) “LICENSING AUTHORITY” INCLUDES:

- 5 1. THE ELEVATOR SAFETY REVIEW BOARD;
- 6 2. THE MARYLAND HOME IMPROVEMENT COMMISSION;
- 7 3. THE STATE BOARD OF ELECTRICIANS;
- 8 4. THE STATE BOARD OF HEATING, VENTILATION,
9 AIR-CONDITIONING, AND REFRIGERATION CONTRACTORS;
- 10 5. THE STATE BOARD OF PLUMBING;
- 11 6. THE MARYLAND BOARD OF PUBLIC ACCOUNTANCY;
- 12 AND
- 13 7. THE MARYLAND BOARD OF INDIVIDUAL TAX
14 PREPARERS.

15 (B) (1) THE COMMISSIONER SHALL NOTIFY THE APPLICABLE LICENSING
16 AUTHORITY WHEN A LICENSEE IS FOUND IN VIOLATION OF § 3-903 OF THIS
17 SUBTITLE BY A FINAL ORDER OF A COURT OR AN ADMINISTRATIVE UNIT AND THE
18 LICENSEE:

19 (I) HAS NOT PAID ALL PENALTIES ASSESSED UNDER THIS
20 SUBTITLE FOR A VIOLATION OF § 3-903 OF THIS SUBTITLE; AND

21 (II) WITHIN 45 DAYS AFTER ISSUANCE OF THE FINAL ORDER OF
22 A COURT OR ADMINISTRATIVE UNIT, HAS FAILED TO COMPLY WITH THE FINAL
23 ORDER ISSUED, INCLUDING PAYMENT OF RESTITUTION OWED, IN ACCORDANCE
24 WITH § 3-907 OF THIS SUBTITLE FOR FAILING TO PROPERLY CLASSIFY AN
25 EMPLOYEE.

26 (2) THE COMMISSIONER SHALL NOTIFY THE APPLICABLE LICENSING
27 AUTHORITY WHEN A LICENSEE IS FOUND IN VIOLATION OF § 3-904 OR § 3-915 OF
28 THIS SUBTITLE BY A FINAL ORDER OF A COURT OR AN ADMINISTRATIVE UNIT.

29 (C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, IF A LICENSING
30 AUTHORITY RECEIVES A NOTIFICATION MADE UNDER SUBSECTION (B) OF THIS

1 SECTION, THE LICENSING AUTHORITY SHALL SUSPEND OR REVOKE THE LICENSE OF
2 THE LICENSEE.

3 (D) (1) BEFORE SUSPENDING OR REVOKING A LICENSE UNDER
4 SUBSECTION (C) OF THIS SECTION, A LICENSING AUTHORITY SHALL SEND WRITTEN
5 NOTICE OF THE PROPOSED ACTION TO THE LICENSEE WHOSE LICENSE IS SUBJECT
6 TO SUSPENSION OR REVOCATION, INCLUDING NOTICE OF THE LICENSEE'S RIGHT TO
7 CONTEST THE IDENTITY OF THE LICENSEE WHOSE LICENSE IS TO BE SUSPENDED OR
8 REVOKED.

9 (2) (I) A LICENSEE MAY APPEAL A DECISION OF A LICENSING
10 AUTHORITY TO SUSPEND OR REVOKE THE LICENSE IN ACCORDANCE WITH TITLE 10,
11 SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

12 (II) AT A HEARING INITIATED UNDER SUBPARAGRAPH (I) OF
13 THIS PARAGRAPH, THE ISSUE SHALL BE LIMITED TO WHETHER THE COMMISSIONER
14 HAS MISTAKEN THE IDENTITY OF THE LICENSEE WHOSE LICENSE HAS BEEN
15 SUSPENDED OR REVOKED.

16 (E) (1) A LICENSING AUTHORITY MAY NOT REINSTATE A LICENSE THAT
17 HAS BEEN SUSPENDED OR REVOKED UNDER SUBSECTION (C) OF THIS SECTION
18 BASED ON A NOTIFICATION MADE UNDER SUBSECTION (B)(1) OF THIS SECTION
19 UNTIL THE COMMISSIONER PROVIDES NOTICE TO THE LICENSING AUTHORITY IN
20 ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

21 (2) THE COMMISSIONER SHALL NOTIFY THE LICENSING AUTHORITY
22 WITHIN 10 DAYS AFTER THE COMMISSIONER FIRST RECEIVES:

23 (I) A COURT ORDER TO REINSTATE THE LICENSE; OR

24 (II) WITH RESPECT TO A LICENSEE WHO IS SUBJECT TO A FINAL
25 ORDER OF A COURT OR AN ADMINISTRATIVE UNIT TO PAY PENALTIES OR
26 RESTITUTION FOR A VIOLATION OF § 3-903 OF THIS SUBTITLE, NOTICE THAT THE
27 LICENSEE HAS COMPLIED WITH THE ORDER AND PAID ALL PENALTIES AND
28 RESTITUTION IN FULL.

29 (3) A LICENSING AUTHORITY SHALL IMMEDIATELY REINSTATE ANY
30 LICENSE SUSPENDED OR REVOKED UNDER SUBSECTION (C) OF THIS SECTION IF:

31 (I) NOTIFIED BY THE COMMISSIONER THAT THE LICENSE
32 SHOULD BE REINSTATED; AND

33 (II) THE LICENSEE OTHERWISE QUALIFIES FOR THE LICENSE.

1 **(4) A LICENSING AUTHORITY MAY NOT REINSTATE A LICENSE THAT**
2 **HAS BEEN SUSPENDED OR REVOKED UNDER SUBSECTION (C) OF THIS SECTION**
3 **BASED ON A NOTIFICATION UNDER SUBSECTION (B)(2) OF THIS SECTION UNTIL:**

4 **(I) THE INDIVIDUAL WHOSE LICENSE HAS BEEN REVOKED OR**
5 **SUSPENDED SUBMITS A WRITTEN REQUEST TO THE LICENSING AUTHORITY;**

6 **(II) THE LICENSING AUTHORITY HOLDS A HEARING ON THE**
7 **REQUEST;**

8 **(III) THE LICENSING AUTHORITY, BY AN AFFIRMATIVE VOTE OF**
9 **A MAJORITY OF ITS MEMBERS:**

10 **1. DETERMINES THAT THE INDIVIDUAL HAS**
11 **DEMONSTRATED BY A PREPONDERANCE OF THE EVIDENCE THAT ANY CONDITIONS**
12 **OF THE SUSPENSION OR REVOCATION HAVE BEEN FULFILLED; AND**

13 **2. VOTES TO REINSTATE THE LICENSE; AND**

14 **(IV) THE INDIVIDUAL PAYS TO THE LICENSING AUTHORITY ANY**
15 **REINSTATEMENT FEE SET BY THE LICENSING AUTHORITY.**

16 **(F) (1) ADVERSE LICENSING ACTIONS TAKEN UNDER THIS SECTION MAY**
17 **BE IMPOSED IN ADDITION TO ANY OTHER ACTIONS TAKEN IN THE ENFORCEMENT OF**
18 **THIS SUBTITLE.**

19 **(2) ADVERSE LICENSING ACTIONS TAKEN UNDER THIS SECTION**
20 **SHALL BE IN EFFECT AGAINST:**

21 **(I) ANY SUCCESSOR CORPORATION OR BUSINESS ENTITY THAT:**

22 **1. HAS ONE OR MORE OF THE SAME PRINCIPALS OR**
23 **OFFICERS AS THE LICENSEE AGAINST WHOM THE ADVERSE ACTION WAS TAKEN**
24 **UNLESS THE PRINCIPAL OR OFFICER DID NOT OR, WITH THE EXERCISE OF**
25 **REASONABLE DILIGENCE, COULD NOT HAVE KNOWN OF THE VIOLATION FOR WHICH**
26 **THE ADVERSE ACTION WAS TAKEN; AND**

27 **2. IS ENGAGED IN OR INTENDS TO ENGAGE IN THE SAME**
28 **OR EQUIVALENT TRADE OR ACTIVITY; AND**

29 **(II) ANY INDIVIDUAL LICENSEE THAT WAS AN OFFICER, A**
30 **DIRECTOR, A CONTROLLING SHAREHOLDER, A PARTNER, OR A MANAGER OF THE**

1 **EMPLOYER AGAINST WHOM THE ADVERSE ACTION WAS TAKEN UNLESS THE**
2 **OFFICER, DIRECTOR, CONTROLLING SHAREHOLDER, PARTNER, OR MANAGER DID**
3 **NOT OR, WITH THE EXERCISE OF REASONABLE DILIGENCE, COULD NOT HAVE KNOWN**
4 **OF THE VIOLATION FOR WHICH THE ADVERSE ACTION WAS TAKEN.**

5 3–913.

6 (a) Where, after investigation, the Commissioner issues a citation for a knowing
7 violation of this subtitle or regulations adopted under this subtitle by an employer engaged
8 in work on a contract with a public body, the Commissioner shall promptly notify the public
9 body **AND THE GENERAL CONTRACTOR.**

10 (b) (1) On notification, the public body shall withhold from payment due the
11 employer an amount that is sufficient to:

12 (i) pay restitution to each employee for the full amount of wages
13 due; and

14 (ii) pay any benefits, taxes, or other contributions that are required
15 by law to be paid on behalf of the employee.

16 (2) The public body shall release:

17 (i) on issuance of a favorable final order of a court or an
18 administrative unit, the full amount of the withheld funds; and

19 (ii) on an adverse final order of a court or an administrative unit, the
20 balance of the withheld funds after all obligations are satisfied under paragraph (1) of this
21 subsection.

22 **Article – State Finance and Procurement**

23 16–203.

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

27 (9) been found to have **REPEATEDLY OR** willfully or knowingly violated
28 Title 17, Subtitle 2 or Title 18 of this article if:

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

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

1 (ii) 1. the finding was made **IN ACCORDANCE WITH A FINAL**
2 **ADMINISTRATIVE ORDER OR** in a contested case under the Administrative Procedure Act;
3 and

4 2. **IF MADE IN A CONTESTED CASE**, the finding was not
5 overturned on judicial review;

6 (10) been found to have **REPEATEDLY OR** willfully or knowingly violated
7 Title 3, Subtitle 3, Subtitle 4, [or] Subtitle 5, **OR SUBTITLE 9** or Title 5 of the Labor and
8 Employment Article if:

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

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

11 (ii) 1. the finding was made **IN ACCORDANCE WITH A FINAL**
12 **ADMINISTRATIVE ORDER OR** in a contested case under the Administrative Procedure Act;
13 and

14 2. **IF MADE IN A CONTESTED CASE**, the finding was not
15 overturned on judicial review;

16 17–221.

17 (g) If after investigation, the Commissioner determines that a provision of this
18 subtitle may have been violated and has not issued a stop work order in accordance with
19 subsection (e) of this section, the Commissioner:

20 **(1)** shall:

21 **[(1)] (I)** issue an order for a hearing within 30 days after completing an
22 investigation; and

23 **[(2)] (II)** expeditiously conduct the hearing; **OR**

24 **(2) MAY REFER THE MATTER TO THE ATTORNEY GENERAL TO FILE A**
25 **CIVIL ACTION IN ACCORDANCE WITH § 17–224 OF THIS SUBTITLE.**

26 17–224.

27 (a) (1) If an employee under a public work contract is paid less than the
28 prevailing wage rate for that employee's classification for the work performed, the employee
29 may file a complaint with the Commissioner.

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

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

(4) (i) If the Commissioner is unable to resolve the matter informally, the Commissioner [shall] **MAY:**

1. issue an order for a hearing in accordance with § 17-221 of this subtitle; **OR**

2. **REFER THE MATTER TO THE ATTORNEY GENERAL TO FILE A CIVIL ACTION IN ACCORDANCE WITH THIS SECTION.**

(ii) If, at the conclusion of a hearing ordered under subparagraph [i] **(I)**1 of this paragraph, the Commissioner determines that the employee is entitled to restitution under this subtitle, the Commissioner shall issue an order in accordance with § 17-221 of this subtitle.

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

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

(b) (1) If an employee under a public work contract is paid less than the prevailing wage rate for that employee's classification for the work performed, the employee, **OR THE COMMISSIONER ON BEHALF OF THE EMPLOYEE**, is entitled to sue to recover the difference between the prevailing wage rate and the amount received by the employee.

(2) **AN EMPLOYEE BRINGING SUIT UNDER THIS SUBSECTION SHALL SERVE A COPY OF THE COMPLAINT ON THE COMMISSIONER.**

(3) A determination by the Commissioner that a contractor is required to make restitution under subsection (a)(4) of this section does not preclude an employee from filing an action under this subsection.

(c) (1) An action under this section is considered to be a suit for wages.

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

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

4 (d) (1) The failure of an employee to protest orally or in writing the payment
5 of a wage that is less than the prevailing wage rate is not a bar to recovery in an action
6 under this section.

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

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

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

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

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

24 **(4) IN ADDITION TO ANY RELIEF PROVIDED UNDER PARAGRAPHS (1)**
25 **THROUGH (3) OF THIS SUBSECTION, THE COMMISSIONER IS ENTITLED TO AN AWARD**
26 **OF LIQUIDATED DAMAGES IN ACCORDANCE WITH § 17-222 OF THIS SUBTITLE.**

27 **[(4)] (5)** In an action under this section, the court shall award a prevailing
28 plaintiff reasonable counsel fees and costs.

29 **[(5)] (6)** If the court finds that an employee submitted a false or
30 fraudulent claim in an action under this section, the court may order the employee to pay
31 the employer reasonable counsel fees and costs.

32 **[(6)] (7)** The contractor and subcontractor shall be jointly and severally
33 liable for any violation of the subcontractor's obligations under this section.

(f) (1) Subject to paragraph (2) of this subsection, an action filed in accordance with this section may be brought by:

(I) one or more employees on behalf of:

1. that employee or group of employees; and [on behalf of]

2. other employees similarly situated; OR

(II) THE COMMISSIONER ON BEHALF OF:

1. ONE OR MORE EMPLOYEES; OR

2. ONE OR MORE EMPLOYEES AND OTHER EMPLOYEES
SIMILARLY SITUATED.

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

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

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

(h) (1) An employer may not discharge, threaten, or otherwise retaliate or discriminate against an employee regarding compensation or other terms and conditions of employment because that employee or an organization or other person acting on behalf of that employee:

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

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

(2) IF A VIOLATION OF THIS SUBSECTION IS FOUND AFTER A HEARING UNDER § 17–221 OF THIS SUBTITLE, RELIEF SHALL BE AWARDED TO THE EMPLOYEE AS DESCRIBED IN SUBSECTION (I)(4)(I) AND (II) OF THIS SECTION.

(i) (1) A contractor or subcontractor may not retaliate or discriminate against an employee in violation of this section.

(2) If a contractor or subcontractor retaliates or discriminates against an employee in violation of this section, the affected employee **OR THE COMMISSIONER ON BEHALF OF THE EMPLOYEE** may file an action in any court of competent jurisdiction within 3 years from the employee's knowledge of the action.

(3) **AN EMPLOYEE BRINGING SUIT UNDER THIS SUBSECTION SHALL SERVE A COPY OF THE COMPLAINT ON THE COMMISSIONER.**

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

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

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

(iii) pay reasonable counsel fees and other costs.

(J) (1) TO ASSIST IN THE ENFORCEMENT OF THIS SUBTITLE, THE COMMISSIONER AND THE ATTORNEY GENERAL, OR THEIR DESIGNEES, SHALL MEET AT LEAST MONTHLY TO SHARE INFORMATION CONCERNING MATTERS ARISING UNDER THIS SUBTITLE, TITLE 8 OF THE GENERAL PROVISIONS ARTICLE, TITLE 3, SUBTITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE, AND TITLES 16 AND 18 OF THIS ARTICLE, INCLUDING AT A MINIMUM:

(I) THE CONTENT OF COMPLAINTS OR REFERRALS RECEIVED CONCERNING POTENTIAL VIOLATIONS AND ACTIONS TAKEN; AND

(II) THE STATUS OF INVESTIGATIONS INITIATED, INCLUDING ANY DETERMINATION OF MERIT OR RECOVERY SOUGHT OR OBTAINED.

(2) THE COMMISSIONER SHALL REFER TO THE ATTORNEY GENERAL ANY COMPLAINT OR REFERRAL ARISING UNDER THIS SUBTITLE FOR WHICH THE COMMISSIONER HAS:

(I) NOT INITIATED AN INVESTIGATION WITHIN 6 MONTHS AFTER RECEIPT;

(II) DECLINED TO INVESTIGATE; OR

(III) FOUND TO BE WITHOUT MERIT.

(3) (I) IN A MATTER REFERRED TO THE ATTORNEY GENERAL UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE ATTORNEY GENERAL MAY EXERCISE THE COMMISSIONER'S INVESTIGATIVE POWERS, INCLUDING SUBPOENA POWERS, PROVIDED UNDER THIS SUBTITLE.

(II) IF, AFTER AN INVESTIGATION, THE ATTORNEY GENERAL FINDS A MATTER TO BE MERITORIOUS, THE ATTORNEY GENERAL SHALL PROVIDE NOTICE TO AND CONSULT WITH THE COMMISSIONER, AFTER WHICH THE ATTORNEY GENERAL MAY FILE A CIVIL ACTION IN THE SAME MANNER AS THE COMMISSIONER UNDER THIS SECTION.

(4) THE COMMISSIONER AND THE ATTORNEY GENERAL SHALL COOPERATE IN THE INVESTIGATION OF ANY MATTER ARISING UNDER THIS SUBTITLE THAT IS OF UNUSUAL SCOPE OR COMPLEXITY OR INVOLVES A NOVEL OR COMPLEX LEGAL ISSUE.

18–107.

(a) Within 30 days after a complaint is filed, the Commissioner shall investigate the complaint in accordance with this title.

(b) A written or oral complaint or statement made by an employee under this title is confidential and may not be disclosed to the employer without the consent of the employee.

(c) An employer subject to this title shall allow the Commissioner or the Commissioner's designee access to a work site and payroll records, and allow an opportunity to interview employees for purposes of enforcing this title.

(d) (1) Within 30 days after completing an investigation, the Commissioner shall:

(I) issue an order for a hearing; OR

(II) REFER THE MATTER TO THE ATTORNEY GENERAL TO FILE A CIVIL ACTION IN ACCORDANCE WITH § 18–109 OF THIS TITLE.

(2) Within 30 days before the hearing, the Commissioner shall serve, personally or by mail, written notice of the hearing on all interested parties.

(3) The notice shall include:

(i) a statement of facts disclosed in the investigation; and

(ii) the time and place of the hearing.

(4) In conducting a hearing, the Commissioner may:

(i) subpoena witnesses;

(ii) administer oaths; and

(iii) compel the production of records, books, papers, and other evidence.

(e) (1) Within 30 days after the conclusion of the hearing, the Commissioner shall:

(i) issue a determination; and

(ii) serve, personally or by mail, each interested party with a copy of the determination.

(2) If the Commissioner finds a violation of this title, the Commissioner shall determine the amount of restitution and liquidated damages to be assessed under § 18–108 of this title.

(3) On receipt of the determination, the employer shall pay the affected employees the amount due in accordance with the Commissioner's determination.

18–109.

(a) (1) If an employee was paid less than the wage rate required under this title the employee, **OR THE COMMISSIONER ON BEHALF OF THE EMPLOYEE AND ANY OTHER EMPLOYEES SIMILARLY SITUATED**, is entitled to sue to recover the amount of the difference between the wage rate required under this title and the amount received by the employee.

(2) A determination by the Commissioner that an employer is required to make restitution does not preclude an employee from filing an action under this section.

(3) IN AN ACTION BROUGHT BY THE COMMISSIONER, THE COMMISSIONER IS ENTITLED TO RECOVER LIQUIDATED DAMAGES AS PROVIDED IN § 18–108 OF THIS TITLE.

(4) AN EMPLOYEE BRINGING SUIT UNDER THIS SECTION SHALL SERVE A COPY OF THE COMPLAINT ON THE COMMISSIONER.

(b) (1) An action under this section is considered to be a suit for wages.

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

(c) The failure of an employee to protest orally or in writing the payment of a wage that is less than the wage rate required under this title is not a bar to recovery in an action under this section.

18-110.

(A) TO ASSIST IN THE ENFORCEMENT OF THIS TITLE, THE COMMISSIONER AND THE ATTORNEY GENERAL, OR THEIR DESIGNEES, SHALL MEET AT LEAST MONTHLY TO SHARE INFORMATION CONCERNING MATTERS ARISING UNDER THIS TITLE, TITLE 8 OF THE GENERAL PROVISIONS ARTICLE, TITLE 3, SUBTITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE, AND TITLE 16 AND TITLE 17, SUBTITLE 2 OF THIS ARTICLE, INCLUDING AT A MINIMUM:

(1) THE CONTENT OF COMPLAINTS OR REFERRALS RECEIVED CONCERNING POTENTIAL VIOLATIONS AND ACTIONS TAKEN; AND

(2) THE STATUS OF INVESTIGATIONS INITIATED, INCLUDING ANY DETERMINATION OF MERIT OR RECOVERY SOUGHT OR OBTAINED.

(B) THE COMMISSIONER SHALL REFER TO THE ATTORNEY GENERAL ANY MATTER INVOLVING A POSSIBLE VIOLATION UNDER THIS TITLE FOR WHICH THE COMMISSIONER HAS DECLINED TO INVESTIGATE AND WAS NOT OTHERWISE REQUIRED TO INVESTIGATE UNDER § 18-107(A) OF THIS TITLE.

(C) (1) IN A MATTER REFERRED TO THE ATTORNEY GENERAL UNDER SUBSECTION (B) OF THIS SECTION, THE ATTORNEY GENERAL MAY EXERCISE THE COMMISSIONER'S INVESTIGATIVE POWERS, INCLUDING SUBPOENA POWERS, PROVIDED UNDER THIS TITLE.

(2) IF, AFTER AN INVESTIGATION, THE ATTORNEY GENERAL FINDS A MATTER TO BE MERITORIOUS, THE ATTORNEY GENERAL SHALL PROVIDE NOTICE TO AND CONSULT WITH THE COMMISSIONER, AFTER WHICH THE ATTORNEY GENERAL MAY FILE AN ACTION IN THE SAME MANNER AS THE COMMISSIONER UNDER § 18-109 OF THIS TITLE.

(3) THE COMMISSIONER AND THE ATTORNEY GENERAL SHALL COOPERATE IN THE INVESTIGATION OF ANY MATTER ARISING UNDER THIS TITLE THAT IS OF UNUSUAL SCOPE OR COMPLEXITY OR INVOLVES A NOVEL OR COMPLEX LEGAL ISSUE.

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