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February 11, 2020

Delegate Dereck E. Davis, Chairman
Economic Matters Committee
231 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

OPPOSE

Re: **HOUSE BILL 582 – PROCUREMENT – PREVAILING WAGE – APPLICABILITY.**

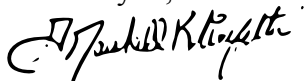
Dear Chairman Davis and Committee Members:

The Maryland Asphalt Association is comprised of 18 producer members representing more than 47 production facilities, 21 contractor members, 24 consulting engineer firms and 39 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

HB 582 would change the applicability of the Prevailing Wage Law for construction jobs from 50% or more to "in whole or in part." This would effectively require every construction project funded by the State to use a prevailing wage. Labor costs account for near one-third of all construction costs. As a result of this bill, a project's overall costs would increase significantly, as would project delays due to the paperwork that is required under the Law. Furthermore, contractors do not have the resources to audit the smaller companies to see the wages they are paying. This legislation would have a negative impact on the State and in turn, our businesses and the citizens of Maryland who have to foot these additional expenses.

We appreciate you taking the time to address this important issue and we respectfully urge an unfavorable report on House Bill 582.

Thank you,



Marshall Klinefelter
President
Maryland Asphalt Association