



*The Voice of Merit Construction*

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TO: ECONOMIC MATTERS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTOR

RE: H.B. 20 – MARYLAND STADIUM AUTHORITY – APPLICABILITY OF PREVAILING WAGE

POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes HB 20 which is before you today for consideration. This bill would apply the Maryland Prevailing Wage Law to the Maryland Stadium Authority.

ABC opposes prevailing wage laws because they contain outdated job restrictions that do not match the needs of today's competitive construction business environment. Prevailing wage requirements discourage many qualified small and minority-owned contractors from bidding on public projects.

Stadium Authority procurement is meant to provide flexibility in delivering State and local construction projects. In recognition of this flexibility, the prevailing wage laws have never been applied to the Stadium Authority. HB 20 required the Stadium Authority to apply prevailing wage requirements to all future Stadium Authority projects.

History shows that the imposition of prevailing wage requirements on construction projects in Maryland may increase total construction costs by as much as 20%.

By imposing prevailing wage requirements on all Stadium Authority projects, the cost of construction will certainly increase. The effect of this bill will be to reduce the Stadium Authority's flexibility and reduce the number of public facilities that can be provided to our citizens.

Prevailing wage requirements impose certain work rules on contractors. These work rules prohibit the use of helpers or trainees on projects. This will limit local hiring and keep young construction workers from working on Stadium Authority projects. The prevailing wage law also imposes job classification work rules that make contractors less efficient.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on HB 20.

Marcus Jackson, Director of  
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