

January 28, 2020

The Honorable Delores G. Kelley
Senate Finance Committee
Miller Senate Office Building,
3 East Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: Opposition to SB 95(Public Utilities – Investor Owned Utilities – Prevailing Wage)

Dear Chairwoman Kelley:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in SB 95 Public Utilities – Investor Owned Utilities – Prevailing Wage MBIA **Opposes** the Act in its current version.

This bill would require that all utility projects by investor owned utilities would be required to pay the prevailing wage. MBIA has concerns about the effect this will have on the cost of projects moving forward in the State. This will have an adverse effect on contractors and subcontractors that will have to increase their wages. In turn, this cost will be passed on to the end user, in the case of residential construction that will be the homebuyer. In a 2020 study, the National Association of Homebuilders (NAHB) reported that for every \$1000 increase in the price of a median priced new home, 2,881 Marylanders will be priced out of the housing market. While this bill has limited applications, it will result in an increase in the cost of building and purchasing homes.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Finance Committee