



**Maryland Joint
Legislative Committee**

January 19, 2021

The Voice of Merit Construction

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TO: ECONOMIC MATTERS COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: H.B. 174 – PUBLIC UTILITIES – INVESTOR – OWNED UTILITIES –
PREVAILING WAGE
POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes H.B. 174 which is before you today for consideration. The bill would require certain investor-owned gas, electric, or combination gas and electric companies to require certain contractors and subcontractors to pay their employees not less than the prevailing wage rate for certain projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company, and any related traffic control activities.

Those men and women who work on public utility projects are handsomely compensated for their hard work. ABC believes that the market forces should continue to set fair labor rates, not public policy. The prevailing wage requirement under H.B. 174 will boost the cost of the project, which the fiscal note conservatively estimates at an increase of 2% - 5%. Unfortunately, contractors will have to pass the increase along to the utility companies, who will in turn pass it along to their consumer. This comes at a time when many utility customers are struggling to pay their utility bills.

In addition, ABC has concerns about the bill because many of the contracts between the utilities and contractors are multi-year in nature. H.B. 174 is silent as to how these current contracts will be treated as they did not account for the increased labor costs that will result from the passage of this bill. ABC recommends that should this bill move forward, that an amendment be added that would exclude any contracts signed prior to the October 1, 2021 effective date of the legislation.

On behalf of the over 1,500 ABC business members in Maryland, we respectfully request an unfavorable report on H.B. 174.

Marcus Jackson, Director
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