



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

OPPOSE

January 28, 2021

RE: HB 37 – OPPOSE – Procurement – Prevailing Wage – Applicability

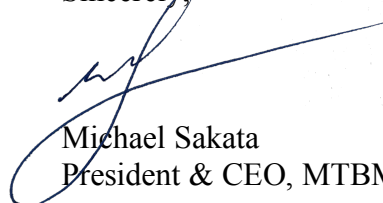
Dear Chairman Davis and Members of the House Economic Matters Committee:


The Maryland Transportation Builders and Materials Association (“MTBMA”) and the Maryland Asphalt Association (“MAA”) collectively represent tens of thousands of Marylanders who operate in the areas of transportation construction, production and engineering. Together, for nearly 100 years, these organizations have served as the voice of the transportation construction industry. The mission of both MTBMA and MAA is to encourage, develop, and protect the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry, and also advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

HB 37 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 37.

Sincerely,


Michael Sakata
President & CEO, MTBMA


Marshall Klinefelter
President, MAA