



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 15, 2022

Committee: House Economic Matters

Bill: HB 611 - Procurement - Prevailing Wage - Applicability

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports House Bill 611 with amendment.

MML is not often involved in legislation regarding the prevailing wage. Many municipalities already pay prevailing wages on construction projects and the current exemptions for projects under \$250,000 or ones that receive less than 25% State funding eliminate other municipal projects, particularly among smaller municipalities.

While the provisions of HB 611 to add “mechanical systems service contracts” as eligible work for prevailing wage consideration is not objectionable, the low threshold for this type of work to qualify for the prevailing wage, while keeping the State share the same, is troublesome. The concern is that mechanical systems services that use more than 25% State funds and cost more than \$2,500 will capture a large swath of projects previously not subject to the prevailing wage. These new types of projects would often be ongoing routine maintenance, which is in stark contrast to the typical prevailing wage projects; large construction projects. Subjecting relatively low cost ongoing mechanical system work to the prevailing wage will place a heavy financial burden on municipal governments, particularly smaller jurisdictions.

The amendment that MML suggests, is to raise the dollar threshold for mechanical systems service from \$2,500 to a higher dollar amount that would continue to include significant capital projects but eliminate the routine maintenance work.

As such, the League respectfully requests that this committee consider this amendment to HB 611 prior to issuing a favorable report.

FOR MORE INFORMATION CONTACT:

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