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To: Members of the Senate Finance Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Oppose Senate Bill 1 – State Finance and Procurement - Prevailing Wage - Stop Work Orders

Independent Electrical Contractors (IEC) Chesapeake opposes Senate Bill (SB) 1 and requests an unfavorable report. The bill as drafted is vague and has excessive penalties which will disadvantage contractors and could shutdown construction projects resulting in additional costs and loss of jobs. The bill language that allows the Commissioner of Labor to issue a Stop Work Order if a contractor or sub contractor “MAY HAVE VIOLATED THE REQUIREMENT TO PAY THE PREVAILING WAGE” should not merit a Stop Work Order.

In addition, it is unreasonable to shutdown an entire work site based on only allegations against one sub contractor on a work site. Once a Stop Work Order is issued, the Labor Commissioner should schedule a hearing. The burden to request a hearing should not be on the contractor.

Stop Work Orders can cause financial damages to contractors and can at best slowdown projects and at worst permanently shut them down. During the COVID pandemic, it has been a challenge for construction contractors to complete projects. There are currently sufficient laws and processes to address prevailing wage violations. Senate Bill 1 creates unnecessary burdens on contractors and subcontractors.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 1-301-621-9545, extension 114 or at gshmelzer@iec-chesapeake.com or Kevin O’Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, Pennsylvania, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

