



PLUMBERS AND STEAMFITTERS

UA LOCAL UNION 486

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Founded 1889

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Dear Chairwoman Kelley and members of the Senate Finance Committee:

As Business Manager of UA Local 486, I strongly support SB259. This legislation to expand prevailing wage to mechanical systems service contracts will clarify the Maryland code. This legislation ties these projects to the McNamara-O'Hara Service Contracts ACT of 1965 threshold for prevailing wage. It also defines mechanical service as HVAC, Plumbing, Electrical, Refrigeration, Steam, Natural gas work, and elevator repairs. Service contracts are used throughout the state, averaging \$3,000-\$5,000 per contract, far lower than the standard prevailing wage threshold of \$250,000.

SB259 is a local job creator, helping to create good-paying sustainable jobs. By pairing these jobs with Prevailing wage rates, workers will receive good wages and benefits, along with outstanding training. The Senate Taskforce on Prevailing Wage compiled data between 2012 and 2013 and found that over 75% of all jobs created by prevailing wage went directly to Maryland residents. Thirty-nine additional studies on Prevailing wage overwhelmingly show stable wage rates, increased local skills training, increased productivity, providing local stimulus from tax incomes, and creating safer work environments for workers. In addition, these improvements don't increase overall construction costs and are very employer-friendly.

By expanding the scope of prevailing wage to all mechanical systems service contracts, I feel this legislation will be an economic driver for the state of Maryland. SB259 will also be a capstone on local legislation being discussed in several counties to expand the McNamara - O'Hara service act across Maryland.

For this reason, I am in strong support of SB259.

Sincerely,

Pasquale Petrovia

Business Manager UA local 486