

Queen_2023_Crossfile_prevalingwage_HB513_FIN.pdf

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Position: FAV

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF DELEGATE PAM QUEEN
HB 513 – Investor-owned Utilities – Prevailing Wage - Enforcement
SUPPORT

Greetings Chair Melony Griffith, Vice-Chair Katherine Klausmeier, and members of the Senate Finance Committee:

HB 513 clarifies enacted law that contractors hired by investor utilities to pay prevailing wage on certain underground utility work.

Unfortunately, there is either confusion or non-cooperation from some parties. So, the goal which this bill achieves will ensure that all utility contractors pay the appropriate prevailing wage for this underground utility work.

We have worked with the Department of Labor, the Public Service Commission, the Utility Companies, and Labor Union to finalize this bill's language.

I seek a favorable recommendation for HB 513 to pass out of the Senate Finance Committee and the entire Senate Chamber.

HB 513 Before Senate Finance Steve Lanning LiUNA (

Uploaded by: Steve Lanning

Position: FAV

March 30, 2023

The Honorable Melony Griffith, Chair and the Honorable Katherine Klausmeier, Vice Chair
Senate Finance Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

**Testimony of Steve Lanning, LiUNA on
HB 513: Investor-Owned Utilities - Prevailing Wage - Enforcement
Position: Favorable**

Chair Griffith, Vice Chair Klausmeier, and Members of the Senate Finance Committee,

LIUNA appreciates the opportunity to offer testimony on HB 513. My name is Steve Lanning. I am the Business Manager of Laborers' Local 11, an affiliate of the Laborers' International Union of North America, or LiUNA for short. Local 11 represents more than 3,500 members across Maryland, Virginia, and the District of Columbia. Our members are proudly employed on many infrastructure construction projects across the region. More than half of our members are Maryland residents.

HB 513 is technical-corrections legislation that will ensure that the Maryland Department of Labor has sufficient statutory authority to enforce the prevailing wage requirements previously enacted in Public Utilities Article § 5-305. This technical correction is important to LIUNA because we are the general workers union of record with exclusive jurisdiction over the craft classification of construction laborer in the United States and Canada. LIUNA's members play a critical role in maintaining the utility service lines that run beneath the street, providing light, warmth, and water to the residents of Maryland. Our members open the roads, dig the trenches, replace the pipes or run the conduit, and then refill, patch, and re-pave the roads that keep Maryland's utilities connected and running to peoples' homes.

Recognizing the importance of this work, in December 2021, the Maryland General Assembly enacted Public Utilities Article § 5-305, a law that ensures wage stability to Maryland construction workers in the utility sector by establishing prevailing wage requirements on construction contractors employed by investor-owned gas, electric, and combined gas and electric utilities on underground construction work. Following the General Assembly's override of Governor Hogan's veto, the law went into effect on January 5, 2022.

Since the law went into effect, however, certain enforcement challenges have arisen. Specifically, the Division of Labor and Industry of the Maryland Department of Labor's assessment is that it does not have the statutory authority to provide guidance to contractors regarding what prevailing wage rates apply to construction work covered by PUA § 5-305. The Division of Labor and Industry's view is also supported by the Office of the Maryland Attorney General. On December 6, 2022, the Office of the Maryland Attorney General issued an opinion agreeing that PUA § 5-305 does not authorize the Commissioner of Labor and Industry to enforce the prevailing wage requirements authorized by PUA § 5-305. Instead, the Attorney General expressed the view that the Maryland Public Service Commission is "the State entity required to administer and enforce PUA § 5-305."

The Public Service Commission, however, does not have the resources and expertise to provide compliance guidance to construction contractors regarding the application of prevailing wages to their workforces. Nor does the Public Service Commission have the resources or personnel to investigate and prosecute individual wage claims. Instead, these resources and expertise already exist within the Maryland Department of Labor. Rather than attempting to duplicate these resources within the Public Service Commission, it makes more sense to provide the necessary statutory authorization to the Maryland Department of Labor with respect to prevailing wages in the utilities sector.

That is precisely what HB 513 will do. Accordingly, please issue a favorable report on HB 513.