



The Voice of Merit Construction

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TO: APPROPRIATIONS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 37 – DECLARATION OF RIGHTS – RIGHT TO ORGANIZE

POSITION: OPPOSE

The Associated Builders and Contractors (ABC) opposes H.B. 37 which is before you today for consideration. We believe that this legislation presents several significant concerns.

HB 37 appears redundant considering existing federal law, specifically the National Labor Relations Act (NLRA). The NLRA provides clear protections for workers' rights to organize and engage in collective bargaining. This bill duplicates federal protections and could create confusion and unnecessary regulatory burdens for employers in our state. There is no need for a state-level intervention that could undermine or confuse established federal standards.

The bill could inadvertently limit the ability of the state to implement future policies that might address emerging issues in labor relations. This language is significantly constraining – it may prevent the state from taking action to adjust or evolve worker protections in response to changing conditions in the workforce or industry. It will potentially limit the flexibility needed to address sector-specific challenges.

The overly broad language of HB 37 could impede future state action aimed at addressing the evolving needs of the workforce or adjusting worker protections. By prohibiting any infringement on workers' rights to negotiate, the bill could create unnecessary restrictions on the state's ability to implement policy changes that might be needed to respond to changes in the labor market or industry-specific challenges. This could hinder the state's ability to adapt to economic shifts and manage the complexities of labor relations effectively. If there are statutory changes the state wishes to make in the future related to wages, including minimum or prevailing wages, public sector union benefit negotiations, working conditions or safety requirements in specific industries, or other areas the state may desire to adjust policy, this language may present a roadblock.

For example, if the state wanted to take over benefit negotiations for public sector unions like teachers, typically done at the local level, to provide a better return for employees, it would conflict with this language and could be argued that the state is infringing on a union member's right to collectively bargain. Therefore, a necessary and profitable state policy could be stopped with no recourse available to the state.

Language and its consequences should be comprehensively deliberated and forecast before enshrinement in the state constitution. There is no amendment process or repeal available if the policy shows to be a hindrance that needs to be adjusted. Hastily pushing through what amounts to messaging by organized labor to put a check mark on our state on their map is wholly irresponsible and poor governance.

Businesses, particularly small and mid-sized firms, may be discouraged from investing or expanding their operations in a state that imposes additional burdens on their ability to operate freely. This could result in a reduced number of job opportunities, slower economic growth, and fewer competitive advantages for Maryland in comparison to neighboring states that offer a more flexible regulatory environment.

Maryland has worked hard to foster a business-friendly environment that supports a wide range of employers. Our specific industry at ABC, the construction industry, is vital to the state's economy, and nonunion contractors play an essential role in driving competition and providing greater flexibility in how work is managed. By reducing perceived flexibility in employment relations, this bill risks disincentivizing investment and expansion in the state.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on H.B. 37.

Marcus Jackson, Director of
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