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January 28, 2025

Legislative Position: Unfavorable
House Bill 37
Declaration of Rights - Right to Organize
House Appropriations Committee

Dear Chairman Barnes and members of the committee:

Established in 1950, the Associated Utility Contractors of Maryland, Inc. (AUC) is dedicated to advancing the utility contracting industry across the state. Our mission is to foster strong relationships between utility contractors and their clients, uphold the highest professional standards within the industry, and elevate the reputation of utility professionals within the business community. We actively advocate for public policies that address industry challenges and contribute to improving Maryland's overall business environment.

The Associated Utility Contractors of Maryland strongly opposes HB 37, which seeks to establish a constitutional right to organize and collectively bargain in the State of Maryland. As an organization representing the interests of utility contractors and the construction industry, we believe that this bill would have far-reaching and devastating consequences.

The construction industry is a unique and complex sector that relies heavily on flexibility, adaptability, and competitiveness. Imposing a constitutional right to organize would stifle these essential elements, leading to increased costs, reduced productivity, and decreased competitiveness. Our industry already faces significant challenges, including labor shortages, supply chain disruptions, and regulatory burdens. Adding a constitutional right to organize would only exacerbate these issues.

According to the fiscal note prepared by the Department of Legislative Services, the implementation of this bill would require significant resources and funding. The note estimates that the total fiscal impact on state and local governments would be approximately \$1.2 million in the first year, with ongoing costs of \$750,000 per year. These costs would be passed on to taxpayers and would further strain the state's budget.

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Furthermore, a constitutional right to organize will create an uneven playing field, where unionized contractors would have a significant advantage over merit based contractors. This hampers competition, innovation, and entrepreneurship in the construction industry. Our industry relies heavily on small businesses and minority-owned contractors, who would be disproportionately affected by this bill.

In conclusion, we **urge the committee to reject HB 37**. A constitutional right to organize would be detrimental to Maryland's construction industry, increasing costs, reducing productivity, and decreasing competitiveness.

Sincerely,

The Associated Utility Contractors of Maryland (AUC)