



January 29, 2025

The Honorable Guy Guzzone, Chair
The Honorable Jim Rosapepe, Vice Chair
Budget and Tax Committee
101 James Senate Office Building
Annapolis, MD 21401

**Testimony of Ray Baker, Maryland Director, Baltimore-DC Building Trades
on SB 190: Land Use - Transit-Oriented Development - Alterations
Position: FAVORABLE WITH AMENDMENTS**

Thank you, Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Tax Committee for the opportunity to offer testimony on SB 190.

My name is Ray Baker. I am the Maryland Director of the Baltimore-DC Building Trades (BDCBT). The BDCBT's 28 affiliates represent more than 30,000 union construction workers across Maryland, Virginia, and the District of Columbia.

BDCBT supports SB 190, but believes it can be strengthened with an amendment to require that the payment of prevailing wages apply to TOD corridor funds used to pay for the construction of transit-oriented development.

As drafted, SB 190 allows counties to establish TOD corridor funds to collect revenues from county special taxing districts to benefit transit-oriented development. The funds collected, according to the bill, may be used to support financing activities for the benefit of the TOD development.

The BDCBT anticipates that construction will be one of the financing activities for which counties will use the TOD corridor funds. Consequently, we advocate for a prevailing wage requirement so that any TOD construction project financed through a county special taxing district creates quality, family supporting jobs and provides taxpayers with the quality-built projects they deserve. We fear that, absent a prevailing wage requirement, workers' wages on TOD corridor funded construction projects will experience a race to the bottom as contractors seek to cut costs to be the lowest bidder. Projects supported by taxpayer dollars should have labor standards, including prevailing wage.

The benefits of prevailing wage are well known to the committee, and are summarized for the committee in following chart:

PREVAILING WAGE: SUMMARY OF BENEFITS

Strengthens the economy	<ul style="list-style-type: none">● Keeps more jobs, income, and tax dollars in the jurisdiction● Increases hiring of local contractors and local workers.● Establishes local market standards; without them, firms have incentives to cut corners on wages, safety, and quality to win bids.
Offers best value for taxpayers	<ul style="list-style-type: none">● Projects more likely to come in on time and on budget● Decreases use of public assistance programs like SNAP● Helps control construction costs through the use of skilled local workers, which increases efficiency and reduces spending on fuels, materials, and equipment.
Increases productivity, safety, and efficiency	<ul style="list-style-type: none">● Promotes hiring, development, and retention of higher-skilled workers.● Prevents skilled worker shortages by boosting investment in apprenticeship programs– for example, in states that have repealed prevailing wage laws, training fell by 40%.● Reduces injury rates – for example, on average 14% lower in states with prevailing wage laws
Promotes ladders into the middle class for all workers	<ul style="list-style-type: none">● Reduces wage disparities for women and people of color.● Stabilizes the wage floor, which boosts blue-collar construction worker incomes, improves health insurance coverage, and reduces poverty.● Generates more pathways into the middle class for veterans, who are more likely to work in construction than non-veterans.
Promotes high-quality training	<ul style="list-style-type: none">● Jurisdictions with prevailing wage laws have a greater number of apprenticeships on public works.● Contractors who participate in approved apprenticeship programs are more likely to be able to be competitive on prevailing wage jobs.● Studies show that when states repeal or weaken prevailing wage laws, apprenticeship utilization decreases – and vice-versa.● A peer-reviewed study found that in states with prevailing wage laws, apprenticeship utilization was 6% to 8% higher.

BDCBT urges the committee to issue a favorable report on SB 190 with our suggested amendment.

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