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MARYLAND ASPHALT ASSOCIATION



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March 4th, 2025

Delegate Joseline Peña-Melnyk, Chair
Health and Government Operations Committee
240 Taylor House Office Building
Annapolis, MD 21401

Delegate CT Wilson, Chair
Economic Matters Committee
230 Taylor House Office Building
Annapolis, MD 21401

RE: HB 957 – UNFAVORABLE – State Procurement – Worker Residency Requirements

Dear Chair Peña-Melnyk, Chair Wilson and Members of the Committees:

The Maryland Asphalt Association (MAA) represents approximately 120 members, including 20 material producers and 100 contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

House Bill 957 mandates that for all procurement contracts, contractors must employ a certain percentage of employees and apprentices who are Maryland residents, based on the value of the contract. The bill separates it between contracts that are between \$300,000 and \$5 million and contracts over \$5 million. The bill also stipulates that contractors failing to meet these requirements face financial penalties.

This mandate is very concerning for our Association for a variety of reasons. First, mandating residency requirements would limit our contractors' ability to hire the most qualified or available workforce. Given the size and location of Maryland, we do employ people from surrounding states. Additionally, this bill puts a massive compliance burden on our companies requiring them to track and report workforce residency data. This would negatively impact smaller companies who do not have the additional administrative resources to keep up with this and the many other administrative requirements the State already imposes on them. Lastly, should the employer not be able to meet the residency requirements due to a labor shortage, the bill imposes penalties which is highly concerning. Our members seek to hire and retain Maryland residents to the best of their ability. They should not be penalized or held liable should outside forces prohibit them from meeting these arbitrary percentages set by this bill.

For these reasons, we ask that you vote UNFAVORABLE on House Bill 957.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith".

Tim Smith, P.E.
President
Maryland Asphalt Association