

April 2, 2026

The Honorable Guy Guzzone  
Chair, Budget and Taxation Committee  
3 West Miller Office Building  
Annapolis, MD 21401

***Re: Letter of Information – House Bill 1352 – State Procurement – Worker Residency Requirements***

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 1352 and provides the following information for the Committee's consideration.

HB 1352 would require covered contractors awarded State-funded projects above \$5 million to ensure that at least 35% of all apprenticeable worker hours are performed by State residents. This requirement would apply to projects located in Anne Arundel County, Baltimore City, Baltimore County, Howard County, Montgomery County and Prince George's County.

Maryland is a small state with numerous neighboring states and Washington, DC, where there is a blended workforce for many companies. Many of our contractors employ workers who reside in these neighboring states, and many construction firms employ Maryland residents who perform work in neighboring states. HB 1352's requirements could further restrict an already limited pool of contractors and lead to an increase in overall bid prices.

Finally, it should be noted that HB 1352 could trigger the application of reciprocal preferences against Maryland companies bidding in other states, as the application of these preferences are often triggered when the home state of the out-of-state contractor has implemented its own preference, as is the case in this bill.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating HB 1352.

Respectfully submitted,

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