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HB 317 - Recipients of Economic Development Assistance or State Contracts - Certification of Compliance With State Labor Laws

House Economic Matters Committee

February 17, 2026

SUPPORT

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Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of HB 317. On behalf of 700 affiliated unions, I offer the following comments.

Maryland invests millions of public dollars each year to help businesses grow, innovate and create jobs. Those investments are meant to strengthen our economy, not support employers who violate wage laws, misclassify workers, or ignore final orders requiring them to pay what they owe. HB 317 ensures that public funds go to employers who play by the rules and treat their workers as required by the law.

This bill builds on the General Assembly's work last session with the passage of HB 500 - Procurement Reform Act of 2025, which created a "good labor evaluation factor" for state contracting. Under HB 500, businesses seeking to apply this factor to their procurement applications must demonstrate responsible labor practices including:

- Directly employing workers as W-2 employees;
- Paying workers by check or electronic means;
- Complying with all legal obligations;
- Reporting subcontractors who perform work on a project;
- Disclosing prior violations; and
- Showing proof that workers are paid the wages they are owed.

HB 317 complements this framework by ensuring that businesses receiving economic development assistance or holding state procurement contracts are meeting the same



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basic expectations of accountability. This legislation establishes a straightforward annual certification: if a business wants to receive state economic development funding or hold a procurement contract of \$250,000 or more, it should be able to certify that it was not the subject of a final adverse labor law determination in the past year and is not currently out of compliance with any outstanding orders.

HB 317 protects workers, protects responsible employers, and protects taxpayers. It aligns Maryland with best practices and ensures that our economic development rewards compliance. If we are awarding public dollars, our state should be confident that businesses are following the law and investing in their workers. HB 317 helps guarantee that public dollars support fair, lawful, and accountable employers.

For these reasons, we urge a favorable report on HB 317.



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