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MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB 675

TO: Finance Committee
FROM: Maryland Department of Labor
DATE: 03/09/2026
BILL: Senate Bill 675

MDL POSITION: INFORMATIONAL

The Maryland Department of Labor respectfully submits this Letter of Information regarding Senate Bill 675 and its fiscal and operational implications.

Senate Bill 675 would exclude wages and fringe benefits paid to employees of investor-owned utility companies from the determination of prevailing wage rates under § 17-208 of the Maryland Prevailing Wage Law.

The Division of Labor & Industry's Prevailing Wage Unit administers the annual wage survey conducted pursuant to § 17-208, which is used to establish prevailing wage rates for covered public works construction projects. The survey process relies on voluntary submissions from stakeholders. Last year, rates were submitted for over 29,000 Maryland workers. Current law does not categorically exclude any class of submissions from the rate-setting process; rather, the statute provides that the prevailing wage rate shall be the rate paid in the locality on projects similar to the proposed public work, for work of the same or a similar character.

It is possible that excluding a class of wage submissions from the rate-setting process would affect prevailing wage calculations. If rates were to decrease as a result of the bill, small businesses that customarily pay wages at or above current prevailing rates may experience competitive impacts. Conversely, if rates were to increase, businesses paying below those rates would be required to adjust wages for covered work; however, those higher labor costs would apply uniformly to all contractors competing for work subject to the law.

To implement the bill, the Department would likely need to modify the existing survey instrument to add a data field capable of identifying and segregating investor-owned utility wage submissions and recode the survey application to create

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an exception that excludes such data from the rate-setting process. However, these changes could be absorbed with existing resources.

The Department respectfully asks the Committee to consider this information, and is available to provide additional information or technical assistance as the Committee considers this legislation.

For questions, please contact Andrew Fulginiti at Andrew.Fulginiti@maryland.gov.

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