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January 28, 2026

Legislative Position: Favorable
HB 74

State Procurement - Construction and Services - Contract Modification
House Government, Labor and Elections Committee

Dear Chair Wells and members of the committee:

Established in 1950, the Associated Utility Contractors of Maryland, Inc. (AUC) is dedicated to advancing the utility contracting industry across the state. Our mission is to foster strong relationships between utility contractors and their clients, uphold the highest professional standards within the industry, and elevate the reputation of utility professionals within the business community. We actively advocate for public policies that address industry challenges and contribute to improving Maryland's overall business environment.

As introduced, HB 74 is a crucial piece of legislation that will provide much-needed relief to contractors and subcontractors who are impacted by legislative or regulatory changes that mandate certain cost increases. By allowing for contract modifications to account for increased costs resulting from statutory changes increasing required compensation or benefits or from the result of changes from collective bargaining, contractors will be able to offset the financial burdens imposed by these changes.

Contractors support this bill because it recognizes the reality that they face when bidding on and performing contracts. When legislative or regulatory changes occur, contractors are often left to absorb the increased costs, which can be devastating to their businesses. By allowing for contract modifications, HB 74 will provide a fair and equitable solution to this problem.

The inclusion of a clause requiring contract modification for increased costs due to statutory changes or collective bargaining will provide contractors with the certainty they need to bid on and perform contracts with confidence. This, in turn, will lead to more competitive bidding and better outcomes for the state and its taxpayers.

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We urge the Senate Budget and Taxation Committee to give a favorable report on HB 74. By passing this bill, the General Assembly will be taking a significant step towards creating a more fair and equitable procurement process.

Sincerely,

The Associated Utility Contractors of Maryland (AUC)