



Letter of Support
HB229 – Fraud Prevention, Prevailing Wage, and Living Wage - Prohibitions, Penalties, and Enforcement

Government, Labor, And Elections Committee – February 12, 2026

Chair Wells, Vice Chair Kerr, and members of the House Government, Labor, And Elections Committee,

Thank you for the opportunity to submit written testimony in support of Senate Bill 60, which strengthens Maryland’s ability to combat workplace fraud, worker misclassification, and related abuses that undermine the State’s tax base and disadvantage law-abiding employers and workers.

What the bill does

Senate Bill 60 modernizes and expands Maryland’s fraud enforcement framework in three key ways.

First, the bill incorporates prevailing wage and living wage violations into the Maryland False Claims Act. This allows the State to seek treble damages and civil penalties against entities that knowingly evade these requirements when performing work financed with public dollars, creating a meaningful deterrent against abuse.

Second, SB 60 strengthens debarment authority. As a member of the Board of Public Works, the Comptroller plays a central role in safeguarding the integrity of State procurement. The bill clarifies the statutory findings necessary for debarment, ensuring that vendors who commit fraud or violate labor and tax laws can be effectively removed from eligibility for public contracts.

Third, the bill advances data-driven enforcement. It provides a clearer legal framework for the Comptroller’s Office to act on insights generated by enhanced fraud detection systems, including investments in our Fraud Detection & Business Intelligence unit and the High Value Audit team within Compliance.

Why the bill is important

Workplace fraud and worker misclassification directly erode Maryland’s fiscal stability. At the close of FY 2024, Maryland carried more than \$3.6 billion in outstanding tax revenue. While the Comptroller’s Office collected over \$800 million in additional revenue in 2024 alone, a substantial gap remains. The FY 2025 Annual Report identified over \$36 million in unreported taxable wages in a single year — revenue that should be supporting Maryland’s schools, infrastructure, and public services. SB 60 provides the modern enforcement tools necessary to close this gap and protect the State’s fiscal health.



By strengthening deterrence, improving debarment processes, and enabling smarter, data-driven enforcement, SB 60 helps ensure that every dollar owed to the State is accounted for and that businesses following the law are not undercut by those who do not.

For these reasons, I respectfully urge a favorable report on Senate Bill 60. If you have any questions please reach out to my head of government affairs, Stephen Harrington (sharrington@marylandtaxes.gov)

Thank you for your consideration.

Brooke Lierman
Comptroller