



ASSOCIATED BUILDERS AND CONTRACTORS 2024 MARYLAND GENERAL ASSEMBLY REPORT TO THE MEMBERS

Maryland's 446th legislative session convened and introduced 3,480 bills amidst a substantial concern over the State's fiscal situation, with weakened revenues and cost increases for many services at every level of government. Despite the fiscal limitations, a wide range of policy issues received full debate, with many resolutions arising from the 90-day annual process.

This session, ABC identified a list of bills that were given a priority status in terms of supporting or opposing.

Here is a synopsis of these bills including ABC's position and the final disposition of the bills.

HB465 - Workplace Fraud and Prevailing Wage - Violations - Civil Penalty and Referrals

ABC **Opposed**.

Bill Passed w/Amendments.

This bill would have established that employers who violate the workplace fraud or prevailing wage statutes are guilty of a misdemeanor and upon conviction are subject to both a fine not to exceed \$5,000 and imprisonment not exceeding 60 days for each employee. Through our advocacy the bill was ultimately amended to remove the criminal penalties in favor of increasing the maximum civil penalties for violations of the statute. Additionally, the bill allows for a referral to certain administrative and law enforcement agencies when it is shown that a violation occurred.

The bill takes effect from October 1, 2024.

HB 136 - Employment Standards, Prevailing Wage, and Living Wage - Employer Adverse Actions and Enforcement

ABC **Opposed**.

Bill Passed w/Amendments.

This departmental bill as amended aims to protect employees by prohibiting employers from taking adverse actions or threatening retaliation against them. Specifically, it covers actions related to several critical labor laws, including:

1. Employment of Minors

2. Equal Pay for Equal Work
3. Maryland Wage and Hour
4. Maryland Wage Payment and Collection
5. Workplace Fraud
6. Living Wage

The bill introduces new anti-retaliation provisions for Employment of Minors, Maryland Wage Payment and Collection, and Living Wage laws. Additionally, it strengthens existing anti-retaliation measures across other relevant laws.

Notably, individuals are prohibited from making groundless or malicious complaints to the commissioner or initiating bad-faith actions related to these laws.

The bill takes effect from July 1, 2024.

SB1138/HB 1276 - Public Works Contracts – Apprenticeship Requirements (Maryland Workforce Apprenticeship Utilization Act)

ABC **Opposed**.

Bill Died in Committee

The bill would require that contractors – and some subcontractors – that employ four or more individuals on covered public work projects use apprentices and journey workers for a specified percentage of the work. It also (1) repeals a requirement that contractors and some subcontractors on covered public work projects participate in apprenticeship programs for each covered craft or make contributions either to the State Apprenticeship and Training Fund (SATF) or a registered apprenticeship program. This provision posed a significant threat to apprentice training in our State by dismantling the Maryland Apprenticeship and Training Program. Fortunately, due to effective advocacy by ABC, the bill did not advance beyond the committee.

SB570/HB397- Public Utilities - Thermal Energy Network Systems - Authorization and Establishment (Working for Accessible Renewable Maryland Thermal Heat (WARMTH) Act)

ABC **Opposed**.

Bill Passed w/Amendments.

This legislation grants electric, gas, and water companies the authority to own, operate, and recoup costs related to a thermal energy network system. However, it initially included provisions mandating “21st-century labor language”, imposing financial burdens on contractors, especially smaller and minority-owned businesses, through higher wages and strict compliance measures. However, ABC successfully advocated for the removal of this language from the bill. The bill takes effect from July 1, 2024.

SB38/HB385 - Wage Payment and Collection - Pay Stubs and Pay Statements - Required Information

ABC **Opposed**.

Bill Passed w/Amendments.

This bill mandates that employers provide written statements to each employee for every pay period, either on the physical pay stub or online statement. The statement must include various details such as the employer's name, address, and contact information, dates of payment and pay period, hours worked, rates of pay, gross and net pay, deductions, additional bases of pay (like bonuses or commissions), and piece rates of pay for piece-rate employees.

Under current law, Maryland's Wage Payment and Collection Law ensures employees are paid wages as promised, establishes regular paydays, and requires the provision of gross earnings statements and notification of pay rates and payday schedules. The law is enforced by MDL's Division of Labor and Industry. Employers who violate this law may face misdemeanor charges and fines up to \$1,000.

The bill also stipulates that employers must inform new employees of their rate of pay, regular paydays, and leave benefits at the time of hiring. Changes to paydays or wages require advance notice to employees, but employers may increase wages without advance notice. The Commissioner may investigate violations of this law upon receiving written complaints from employees and can attempt informal resolution, seek legal action through the Attorney General's Office, or bring action directly in the county of the alleged violation.

The bill becomes effective October 1, 2024.

SB513/HB525 - Employment Discrimination - Use of Cannabis Products:

ABC **Opposed**.

Bill Died in Committee.

This bill would have established regulations regarding the employment rights of individuals who legally use cannabis. Under the bill, employees could not face adverse employment action for using cannabis products legally during non-work hours, as long as the use did not impair their actual job performance. The bill defined "adverse employment actions" as refusing to hire, firing, forcing retirement, or discriminatory practices related to compensation or job terms. Furthermore, employers would have been prohibited from taking adverse employment actions based solely on a positive drug test for cannabis unless it was proven that the employee was impaired during work hours or on the premises. Employers were still permitted to prohibit on-the-job cannabis use and act if an employee displayed impairment that affected their work performance. In addition, employers were not required to violate federal law or risk losing federal contracts or funding to accommodate state cannabis laws.

SB696/HB682 - Energy Generation Projects - Labor and Minority Business Enterprise

Requirements:

ABC **Opposed**.

Bill Withdrawn.

This bill establishes requirements for developers of specified energy-generating stations with cumulative nameplate capacities of one megawatt or more. Here were the key provisions:

- 1. Prevailing Wage Rates:** Developers must adhere to prevailing wage rates.
- 2. Contractor/Subcontractor Certifications and Records:** Developers are obligated to maintain proper certifications and records for contractors and subcontractors.
- 3. Enforcement and Regulations:** The Maryland Department of Labor (MDL) will enforce compliance and adopt implementing regulations.
- 4. Conditioning Approval:** The Public Service Commission (PSC), to the extent practicable and authorized by the U.S. Constitution, will condition approval of a Certificate of Public Convenience and Necessity (CPCN) or approval to construct (under the CPCN exemption process) on the developer meeting the requirements of the State's Minority Business Enterprise (MBE) Program.

SB1082/HB1328 - Solar Energy and Energy Storage - Development and State Procurement:

ABC **Opposed**.

Bill Died in Committee.

The bill addresses various aspects, including county conservation and restoration funds, a Utility-scale Solar Design and Siting Advisory Commission, cover crops on solar energy generating station land, standards and requirements for energy storage devices, State purchases of solar energy, land suitable for solar energy development, and support provided to local governments by the Department of Natural Resources regarding the solar energy development permitting process. Despite their varied approaches, none of the bills progressed beyond initial public hearings during the Session. However, it is anticipated that similar legislation aimed at streamlining the process to incentivize more renewable development will be introduced in future sessions.

SB 33 - More Opportunities for Career-Focused Students Act of 2024:

ABC **Supported**.

Bill Passed w/Amendments.

This bill mandates that local school systems provide similar assistance to high school students for admission to registered apprenticeship programs as they do for students preparing to enter postsecondary institutions.

By promoting equal support and opportunities, this bill aims to facilitate students' successful transition into apprenticeships.

The bill takes effect July 1, 2024.

SB183/HB342 - State Procurement - Prompt Payment of Suppliers:

ABC **Supported**.

Bill Passed w/Amendments.

This bill mandates that contractors engaged in State contracts promptly settle any undisputed amounts owed to their suppliers. Additionally, it extends the State's existing prompt payment requirements to include suppliers. A 'supplier' is defined as an individual or entity that has provided labor or materials to a contractor for work specified in a state procurement contract.

The bill takes effect October 1, 2024.