



BILL SYNOPSIS

Committee: Labor

Bill 20-0629

Prevailing Wage – Determination

Sponsor: Councilmember Bill Henry

Introduced: October 5, 2020

Purpose:

For the purpose of simplifying the manner by which the City determines its prevailing wage for construction contracts by indexing with the prevailing hour wage established under State law for State-financed construction work performed in the City; and providing for a rate review procedure after the initial rate establishment.

Effective: 30 Days after enactment

Agency Reports

Law Department	
Baltimore Development Corporation	
Housing and Community Development	No Objections
Wage Commission	
Finance	No Objections

Analysis

Background

Prevailing Wage laws regulate the hours of labor, rates of pay, conditions of employment, obligations of employers and duties of certain public officials under contracts and subcontracts for public works in Maryland. The Maryland Department of Labor’s Prevailing Wage Unit compiles relevant data and conducts an annual survey of wages paid throughout the State. In Maryland, Prevailing Wage Rates are issued separately for Building and Highway projects on a county-by-county basis by the Division of Labor and Industry. A wage determination is a listing of wage rates and fringe benefit rates for each classification of mechanics and laborers for which the Department of Labor has determined to be prevailing in a given area for a particular type of construction job.

In Baltimore City, the prevailing wage law applies to contracts above \$5,000, and tax increment financing projects above \$10 million that use funds for construction work. Currently, the Wage Commission within the Office of Equity and Civil Rights uses their own calculation method to determine what the city’s prevailing wage rates will be each year. The Wage Commission compiles annual surveys including wage information from the contractor’s association and some non-union organizations to conduct a wage analysis, and from that information they use the average figure to establish the prevailing rate. In the event that there are no rates for a class, they will use the collective bargaining rate.

If enacted, Bill 20-0629 would allow the Board of Estimates to adopt, review, and revise the Prevailing Hourly Wage rates established annually for Baltimore City by the Maryland State Commissioner of Labor and Industry. This legislation would grant the Board of Estimates with the authority to review and revise and prevailing wage rate on petition, if that petition is submitted to the Board within 21 days after a contracting agency publishes a request for bids or proposals for a project where a prevailing wage rate would be used.

Additional Information

Fiscal Note: Not Available

Information Source(s):

Analysis by: Samuel Johnson, Jr.
Analysis Date: October 14, 2020

Direct Inquiries to: (410) 396-1091