

HOUSE BILL 792

K3, P2

6lr2402
CF SB 914

By: **Delegates McCray, Morales, Anderson, Angel, Barron, Barve, Carr, Carter, Chang, Conaway, Frick, Glenn, Hayes, Lafferty, Lam, Lierman, Luedtke, McIntosh, Moon, Oaks, Pena–Melnyk, Platt, Sample–Hughes, Smith, Tarlau, Turner, A. Washington, M. Washington, and C. Wilson**

Introduced and read first time: February 8, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Work Contracts – Payroll Reporting Requirements**
3 **(The Transparency Act of 2016)**

4 FOR the purpose of applying certain payroll reporting requirements under the prevailing
5 wage law to certain contractors under certain public work contracts of at least a
6 certain value; providing that certain contractors under certain public work contracts
7 of less than a certain value are not required to comply with certain provisions of law
8 related to certain payroll reporting requirements; and generally relating to payroll
9 reporting requirements under the prevailing wage law.

10 BY repealing and reenacting, with amendments,
11 Article – State Finance and Procurement
12 Section 17–202(b) and 17–220
13 Annotated Code of Maryland
14 (2015 Replacement Volume)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – State Finance and Procurement**

18 17–202.

19 (b) This subtitle does not apply to:

20 (1) **EXCEPT AS PROVIDED IN § 17–220 OF THIS SUBTITLE**, a public work
21 contract of less than \$500,000; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) the part of a public work contract for which the federal government
2 provides money if, as to that part, the contractor is required to pay the prevailing wage rate
3 as determined by the United States Secretary of Labor.

4 17-220.

5 (a) Each contractor required to pay the prevailing wage rate **AND EACH**
6 **CONTRACTOR THAT IS NOT REQUIRED TO PAY THE PREVAILING WAGE RATE BUT**
7 **THAT IS UNDER A PUBLIC WORK CONTRACT WITH A VALUE OF AT LEAST \$400,000**
8 shall:

9 (1) keep payroll records covering work performed directly at the work site
10 in accordance with regulations adopted by the Commissioner; and

11 (2) allow the Commissioner or the public body to inspect the records at any
12 reasonable time and as often as necessary.

13 (b) (1) Each contractor shall submit a complete copy of the payroll records of
14 the contractor and, for work performed at the work site, of the subcontractors in the form
15 that the Commissioner specifies by regulation to:

16 (i) the public body; and

17 (ii) the Commissioner.

18 (2) The Commissioner and the public body shall make payroll records
19 available for public inspection during regular business hours.

20 (c) **(1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
21 **SUBSECTION, EACH** copy of the payroll records shall be accompanied by a statement that
22 is signed by the contractor or, for the subcontractor's records, by the subcontractor and
23 indicates that:

24 **[(1)] (I)** the payroll records are correct;

25 **[(2)] (II)** the wage rates paid are not less than those established by the
26 Commissioner as set forth in the public work contract;

27 **[(3)] (III)** the classification set forth for each employee conforms with the
28 work performed by that employee; and

29 **[(4)] (IV)** the contractor or subcontractor has complied with each
30 requirement of this subtitle.

1 **(2) A CONTRACTOR UNDER A PUBLIC WORK CONTRACT WITH A VALUE**
2 **OF LESS THAN \$500,000 IS NOT REQUIRED TO COMPLY WITH PARAGRAPH (1)(II) AND**
3 **(IV) OF THIS SUBSECTION.**

4 (d) If a contractor is late in submitting copies of the payroll records required under
5 subsection (b) of this section:

6 (1) the public body may postpone the processing of partial payment
7 estimates under the public work contract pending receipt of the copies; and

8 (2) the contractor shall be liable to the public body for liquidated damages
9 of \$10 for each calendar day the records are late.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2016.