

April 8, 2022

The Honorable Bill Ferguson
President of the Maryland Senate
H-107 State House
Annapolis, MD 21401

Dear President Ferguson:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed Senate Bill 1 – *State Finance and Procurement – Prevailing Wage – Stop Work Orders*.

Senate Bill 1 makes significant changes to the Prevailing Wage section of the State Finance and Procurement Article and broadly expands the authority of the Commissioner of Labor and Industry within the Department of Labor to issue a stop work order to an entire jobsite when there is a mere suspicion that there may be a violation of the prevailing wage law. All contractors working on the site would be prevented from working, delaying the progress of entire public works projects and pushing back completion dates for vital projects such as highways, schools, and other public works. Under a stop work order, contractors would also not receive wages without a final determination having been issued by the Commissioner.

The proposal also allows for stop work orders to be issued to worksites where the contractor in question is no longer performing work but may have been in violation. This is significant as large projects employ dozens of individual subcontractors, and one investigation could bring the entire jobsite to a halt.

The power granted to the Commissioner under current law already provides sufficient authority to enforce prevailing wage laws so much so that in the last ten years, not a single case has made it to a court hearing. Every investigation where a contractor has been determined to be in violation of the law has resulted in the workers being made whole within the existing means of the Commissioner. This new authority is unnecessary and ripe for abuse.

Senate Bill 1 may negatively impact the prevailing wage system, make contractors less likely to want to perform prevailing wage work, and could result in less competition and increased pricing on public works projects.

For these reasons, I have vetoed Senate Bill 1.

Sincerely,

Lawrence J. Hogan, Jr.
Governor