



Eastern Atlantic States
REGIONAL COUNCIL OF CARPENTERS

801 West Patapsco Avenue, Baltimore, MD 21230 | Phone: 443-915-0462 | EASCARPENTERS.ORG

TESTIMONY

SB1 / HB 145 - STATE FINANCE AND PROCUREMENT – PREVAILING WAGE –
STOP WORK ORDERS

FAVORABLE

Chair Kelley, Vice Chair Feldman and honorable members of the Senate Finance Committee:

On behalf of the Eastern Atlantic Regional Council of Carpenters (EASRCC), our 41,000 of the most skilled construction workers and apprentices in the nation, and including some 3,000 carpenters right here in the State of Maryland, we write today in support of HB145, providing one tool to address the issue of misclassification, wage and unemployment insurance theft within the state procurement system.

Modeled after successful legislation in New Jersey, Connecticut and many other states, this legislation provides Stop Work Order authority within the Department of Labor, as one tool to hold accountable those employers and contractors who cheat workers and out of wages, and cheat taxpayers and government out of workers' compensation and unemployment trust fund dollars, as well as revenues to state and local economies.

Misclassification and wage theft runs rampant in work sites through the region, cheating workers out of millions of dollars in wages and benefits, and disadvantaging responsible companies by creating an un-level competitive playing field. The problem is particularly pernicious for underage and undocumented workers who are the most vulnerable to workplace exploitation by unscrupulous contractors and labor brokers. It a terrible problem that is difficult to curtail without tools developed specifically to target and stop that exploitation at the source. Beyond the wage and workplace rights of those workers, misclassification and wage theft cheats state and local taxpayers and economies tens of millions of dollars each year in lost or unrealized revenues, unemployment and other trust fund resources.

This legislation begins to rein that in. It provides as follows:

1. The Stop-Work Order would apply to every site where the violation continues to occur.



EASTERN ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS

Representing members in New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Washington D.C., and 10 counties in North Carolina

2. It could only be lifted by the commissioner if the department finds the employer has agreed to pay future wages at the required rate, return any back-wages owed to workers and pay any penalty assessed by the department.
3. The commissioner may also require the employer to file periodic reports for two years certifying its compliance with the prevailing wage law as a condition of lifting the order.
4. The commissioner would be allowed to investigate the wage records of an employer in the construction industry upon the complaint of an employee for failure to pay required wages and contributions.
5. The commissioner would be permitted to issue subpoenas in connection with the investigation and fine individuals who willfully hinder it.
6. If an employer does not stop business despite being issued a Stop-Work Order, the commissioner would be permitted to assess a civil penalty of \$5,000 per day.

This legislation is an important first step in ensuring that workers are paid the wages and benefits to which they are entitled and have earned under the law.

For the forgoing reasons, we ask for a favorable committee report.

Sincerely,

Mungu Sanchez, Deputy Political Director

REGIONAL OFFICES:

1803 Spring Garden Street
Philadelphia, PA 19130
Phone: 215-569-1634

650 Ridge Road, Suite 200
Pittsburgh, PA 15205
Phone: 412-922-6200

91 Fieldcrest Avenue, Suite A18
Edison, NJ 08837
Phone: 732-417-9229

8500 Pennsylvania Avenue
Upper Marlboro, MD 20772
Phone: 301-735-6660