

SENATE BILL 688

P2
SB 1138/24 – SRU

5lr2664
CF 5lr2659

By: **Senator Benson**

Introduced and read first time: January 26, 2025

Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Works Contracts – Apprenticeship Requirements**
3 **(Maryland Workforce Apprenticeship Utilization Act)**

4 FOR the purpose of altering certain apprenticeship requirements relating to public works
5 contracts to require certain contractors and subcontractors to employ a certain
6 number of qualified apprentices or journeyworkers necessary to meet a certain
7 applicable percentage for the project; altering which projects are subject to certain
8 apprenticeship requirements; repealing certain provisions of law that authorized
9 contractors and subcontractors to make certain payments to a certain apprenticeship
10 program in lieu of employing certain apprentices; requiring the Secretary of Labor
11 to annually establish a certain applicable percentage; authorizing the Secretary to
12 waive certain requirements under certain circumstances; establishing that certain
13 apprenticeship requirements apply to the University System of Maryland and
14 Baltimore City Community College; and generally relating to apprenticeship
15 requirements for public works contracts.

16 BY repealing and reenacting, with amendments,
17 Article – State Finance and Procurement
18 Section 11–203(e)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2024 Supplement)
21 (As enacted by Chapter 732 of the Acts of the General Assembly of 2021 and
22 Chapters 575 and 576 of the Acts of the General Assembly of 2023)

23 BY repealing and reenacting, with amendments,
24 Article – State Finance and Procurement
25 Section 17–601, 17–603, 17–604, and 17–606
26 Annotated Code of Maryland
27 (2021 Replacement Volume and 2024 Supplement)

28 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Finance and Procurement
Section 17–601.1, 17–602.1, 17–604.1, 17–605.1, and 17–607
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 17–602
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

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

Article – State Finance and Procurement

11–203.

(e) (1) In this subsection, “University” means the University System of Maryland, Morgan State University, or St. Mary’s College of Maryland.

(2) Except as otherwise provided in this subsection, this Division II does not apply to the University System of Maryland, Morgan State University, St. Mary’s College of Maryland, or Baltimore City Community College.

(3) (i) A procurement by a University or Baltimore City Community College shall comply with the policies and procedures developed by the University or Baltimore City Community College and approved by the Board of Public Works and the Administrative, Executive, and Legislative Review Committee of the General Assembly in accordance with:

1. § 12–112 of the Education Article for the University System of Maryland;
2. § 14–109 of the Education Article for Morgan State University;
3. § 14–405(f) of the Education Article for St. Mary’s College of Maryland; or
4. § 16–505.3 of the Education Article for Baltimore City Community College.

(ii) 1. The review and approval of the Board of Public Works shall be required for the following types of contracts with a value that exceeds \$1,000,000 for a University or \$500,000 for Baltimore City Community College:

1 A. capital improvements; and

2 B. services.

3 2. In its review of a contract for services or capital
4 improvements with a value that exceeds \$1,000,000, the Board of Public Works may request
5 the comments of the appropriate agencies, including the Department of Budget and
6 Management and the Department of General Services.

7 3. For Baltimore City Community College contracts that are
8 not subject to the review and approval of the Board of Public Works under subsubparagraph
9 1 of this subparagraph:

10 A. contracts with a value of \$100,000 or less shall be reviewed
11 and approved by the President of Baltimore City Community College or the President's
12 designee; and

13 B. contracts with a value that exceeds \$100,000 but does not
14 exceed \$500,000 shall be approved by the Board of Trustees of Baltimore City Community
15 College.

16 (4) The policies of a University or Baltimore City Community College shall:

17 (i) to the maximum extent practicable, require the purchasing of
18 supplies and services in accordance with Title 14, Subtitle 1 of this article;

19 (ii) promote the purposes of the regulations adopted by the
20 Department of General Services governing the procurement of architectural and
21 engineering services;

22 (iii) promote the purposes of § 13–402 of the State Personnel and
23 Pensions Article;

24 (iv) to the maximum extent practicable, be similar to § 13–218.1 of
25 this article; and

26 (v) to the maximum extent practicable, require the procurement of
27 food in accordance with Title 14, Subtitle 7 of this article.

28 (5) (i) Except as provided in paragraph (7) of this subsection, the
29 following provisions of Division II of this article apply to a University and to Baltimore City
30 Community College:

31 1. § 11–205 of this subtitle (“Collusion”);

32 2. § 11–205.1 of this subtitle (“Falsification, concealment,
33 etc., of material facts”);

(iii) At the election of the Board of Regents of Morgan State University and subject to the approval of the Board of Public Works, the State Board of Contract Appeals shall have authority over contract claims related to procurement contracts awarded by the University after June 30, 2004.

(iv) At the election of the Board of Trustees of St. Mary's College of Maryland and subject to the approval of the Board of Public Works, the State Board of Contract Appeals shall have authority over contract claims related to procurement contracts awarded by St. Mary's College of Maryland after June 30, 2006.

(v) At the election of the Board of Trustees of Baltimore City Community College and subject to the approval of the Board of Public Works, the State Board of Contract Appeals shall have authority over contract claims related to procurement contracts awarded by Baltimore City Community College after June 30, 2021.

(7) Except with regard to the provisions of § 15–113 of this article, paragraphs (3), (4), and (5) of this subsection do not apply to:

(i) procurement by a University or Baltimore City Community College from:

1. another unit;
2. a political subdivision of the State;
3. an agency of a political subdivision of the State;
4. a government, including the government of another state, of the United States, or of another country;
5. an agency or political subdivision of a government; or
6. a bistate, multistate, bicounty, or multicounty governmental agency;

(ii) procurement by a University in support of enterprise activities for the purpose of:

1. direct resale;
2. remanufacture and subsequent resale; or
3. procurement by the University for overseas programs; or

(iii) procurement by the University System of Maryland for:

1. services of managers to invest, in accordance with the management and investment policies adopted by the Board of Regents of the University System of Maryland, gift and endowment assets received by the University System of Maryland in accordance with § 12–104(e) of the Education Article; or

2. expenditures to manage, maintain, and enhance, in accordance with the management and investment policies adopted by the Board of Regents of the University System of Maryland, the value of gift and endowment assets received by the University System of Maryland in accordance with § 12–104(e) of the Education Article.

17–601.

(a) In this subtitle the following words have the meanings indicated.

(B) “APPLICABLE PERCENTAGE” MEANS THE PERCENTAGE OF TOTAL LABOR HOURS OF WORK ON A COVERED PROJECT, INCLUDING CONSTRUCTION, ALTERATION, AND REPAIR WORK, PERFORMED BY AN APPRENTICE OR A JOURNEYWORKER ESTABLISHED UNDER § 17–602.1 OF THIS SUBTITLE.

[(b)] (C) “Apprenticeship training program” means an apprenticeship training program that:

(1) is registered with, and approved by, the Apprenticeship and Training Council or the U.S. Department of Labor; **AND**

(2) COMPLIES WITH THE REQUIREMENTS OF 29 C.F.R. PART 29 AND PART 30.

[(c)] (D) “Covered craft” means a classification of workers listed in the prevailing wage determination applicable to the covered project.

[(d)] (E) “Covered project” means a project for the construction of a public work[, as defined under § 17–201 of this title, that is valued at \$500,000 or more] **THAT IS SUBJECT TO SUBTITLE 2 OF THIS TITLE.**

[(e)] (F) “Department” means the Maryland Department of Labor.

[(f)] (G) “Fund” means the State Apprenticeship Training Fund established under § 17–602 of this subtitle.

(H) “LABOR HOURS” MEANS THE TOTAL NUMBER OF HOURS DEVOTED TO THE PERFORMANCE OF CONSTRUCTION, ALTERATION, OR REPAIR WORK BY ANY INDIVIDUAL AND EXCLUDES HOURS WORKED BY:

(1) FOREMEN;

(2) SUPERINTENDENTS;

(3) OWNERS; OR

(4) ANY PERSON EMPLOYED IN A BONA FIDE EXECUTIVE, ADMINISTRATIVE, OR PROFESSIONAL CAPACITY, AS DEFINED IN 29 C.F.R. PART 541.

[(g)] (I) “Participates in an apprenticeship training program” means that a contractor or subcontractor makes regular financial contributions for each covered craft to apprenticeship training programs for covered crafts during the term of the covered project that are at least equal to the hourly fringe benefit contribution rates required for apprenticeship training by the applicable prevailing wage determination for the project, as specified by the Secretary.

(J) “QUALIFIED APPRENTICE OR JOURNEYWORKER” MEANS AN INDIVIDUAL WHO IS PARTICIPATING IN AN APPRENTICESHIP TRAINING PROGRAM.

[(h)] (K) “Secretary” means the Secretary of Labor.

17-601.1.

(A) THIS SUBTITLE APPLIES ONLY TO CONTRACTORS AND SUBCONTRACTORS WHO EMPLOY FOUR OR MORE INDIVIDUALS TO PERFORM WORK ON A COVERED PROJECT.

(B) NOTHING IN THIS SUBTITLE MAY PREEMPT A LOCAL LAW OR POLICY PROVIDING FOR ADDITIONAL SKILLED AND TRAINED WORKFORCE REQUIREMENTS ON PUBLIC WORKS PROJECTS.

17-602.

(a) There is a State Apprenticeship Training Fund in the Department.

(b) The Fund consists of:

(1) payments made by contractors or subcontractors in accordance with this subtitle and Subtitle 6A of this title; and

(2) penalties collected as a result of violations of this subtitle and Subtitle 6A of this title.

(c) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of this article.

(d) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(e) The Secretary shall use money in the Fund to:

(1) promote preapprenticeship programs and other workforce development programs in the State's public secondary schools and community colleges that assist students in preparing for and entering apprenticeship training programs; and

(2) pay any costs associated with carrying out the provisions of this subtitle and Subtitle 6A of this title.

17-602.1.

(A) FOR CONSTRUCTION ON A COVERED PROJECT FOR WHICH A PUBLIC BODY ADVERTISES FOR BIDS OR PROPOSALS FOR A PUBLIC WORKS CONTRACT ON OR AFTER JANUARY 1, 2026, THE APPLICABLE PERCENTAGE IS 20%.

(B) ON OR BEFORE DECEMBER 31, 2026, AND EACH YEAR THEREAFTER, THE SECRETARY SHALL SET THE APPLICABLE PERCENTAGE THAT WILL APPLY FOR THE FOLLOWING CALENDAR YEAR.

(C) THE SECRETARY MAY ALTER THE APPLICABLE PERCENTAGE FOR A COVERED PROJECT TO MEET ANY RATIO REQUIREMENTS NECESSARY FOR APPRENTICE OR JOURNEYWORKER SUPERVISION IN THE COVERED CRAFT.

17-603.

(a) A contractor that is awarded a procurement contract for a covered project shall provide to a unit, as a condition of receiving the contract, written verification that:

(1) the contractor [participates in an apprenticeship training program for each covered craft in which it will employ persons for the covered project] **IS EMPLOYING THE NUMBER OF QUALIFIED APPRENTICES OR JOURNEYWORKERS FOR A COVERED PROJECT NECESSARY TO MEET THE APPLICABLE PERCENTAGE FOR THE COVERED PROJECT; OR**

(2) the contractor will make payments to the Fund[; or

(3) the contractor will make payments in amounts determined under § 17-605 of this subtitle to a registered apprenticeship program or to an organization that has registered apprenticeship programs for the purpose of supporting these programs].

(b) The written verification required under subsection (a) of this section shall be provided by a contractor to the unit responsible for the project before the contractor commences performance under the procurement contract.

[(c) Organizations that have registered apprenticeship programs and receive funds from contractors under subsection (a)(3) of this section shall certify to the Secretary

that all funds received are used solely for the purpose of improving or expanding apprenticeship training in the State.

(d) The Secretary shall adopt regulations to establish a process for auditing organizations that provide registered apprenticeship programs to ensure that all funds received under subsection (a)(3) of this section are used solely to improve and expand apprenticeship programs in the State.]

17-604.

(a) A subcontractor that performs work valued at \$100,000 or more for a covered project shall provide to a unit written verification that:

(1) the subcontractor [participates in an apprenticeship training program for each covered craft in which it will employ persons] **IS EMPLOYING THE NUMBER OF QUALIFIED APPRENTICES OR JOURNEYWORKERS FOR A COVERED PROJECT NECESSARY TO MEET THE APPLICABLE PERCENTAGE** for the covered project; **OR**

(2) the subcontractor will make payments to the Fund[; or

(3) the subcontractor will make payments in amounts determined under § 17-605 of this subtitle to a registered apprenticeship program or to an organization that has registered apprenticeship programs for the purpose of supporting these programs].

(b) The written verification required under subsection (a) of this section shall be provided by a subcontractor to the unit responsible for the project before the subcontractor commences performance under the procurement contract.

[(c) Organizations that have registered apprenticeship programs and receive funds from contractors under subsection (a)(3) of this section shall certify to the Secretary that all funds received are used solely for the purpose of improving or expanding apprenticeship training in the State.

(d) The Secretary shall adopt regulations to establish a process for auditing organizations that provide registered apprenticeship programs to ensure that all funds received under subsection (a)(3) of this section are used solely to improve and expand apprenticeship programs in the State.]

17-604.1.

(A) IN THIS SECTION, “ALL APPLICABLE APPRENTICESHIP TRAINING PROGRAMS” MEANS EACH APPRENTICESHIP TRAINING PROGRAM THAT HAS A GEOGRAPHIC AREA OF OPERATION THAT INCLUDES THE LOCATION OF THE COVERED PROJECT AND HAS A USUAL AND CUSTOMARY BUSINESS PRACTICE OF

1 ENTERING INTO AGREEMENTS WITH EMPLOYERS FOR THE PLACEMENT OF
2 APPRENTICES IN THE COVERED CRAFT.

3 (B) THE SECRETARY MAY WAIVE THE REQUIREMENTS UNDER § 17-603 OR
4 § 17-604 OF THIS SUBTITLE IF A CONTRACTOR OR SUBCONTRACTOR SUBMITS A
5 WRITTEN WAIVER APPLICATION, INCLUDING ANY SUPPORTING DOCUMENTATION
6 REQUIRED BY THE SECRETARY, DEMONSTRATING THAT THE CONTRACTOR OR
7 SUBCONTRACTOR:

8 (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, HAS REQUESTED
9 QUALIFIED APPRENTICES FROM ALL APPLICABLE APPRENTICESHIP TRAINING
10 PROGRAMS; AND

11 (2) FOR EACH REQUEST:

12 (I) THE REQUEST HAS BEEN DENIED FOR A REASON THAT IS
13 NOT THE RESULT OF A REFUSAL BY THE CONTRACTOR OR SUBCONTRACTOR TO
14 COMPLY WITH THE ESTABLISHED STANDARDS AND REQUIREMENTS OF THE
15 APPRENTICESHIP TRAINING PROGRAM; OR

16 (II) THE APPRENTICESHIP TRAINING PROGRAM HAS FAILED TO
17 RESPOND TO THE REQUEST WITHIN 10 BUSINESS DAYS AFTER THE DATE ON WHICH
18 THE APPRENTICESHIP TRAINING PROGRAM RECEIVED THE REQUEST.

19 (C) TO REQUEST QUALIFIED APPRENTICES FROM AN APPRENTICESHIP
20 TRAINING PROGRAM, A CONTRACTOR OR SUBCONTRACTOR SHALL SUBMIT:

21 (1) A REQUEST BY TELEPHONE AND IN WRITING SENT
22 ELECTRONICALLY AND BY REGISTERED MAIL; AND

23 (2) A REQUEST TO AN APPRENTICESHIP TRAINING PROGRAM WITH
24 WHICH THE CONTRACTOR OR SUBCONTRACTOR DOES NOT HAVE AN EXISTING
25 PARTICIPATION AGREEMENT, AT LEAST 90 CALENDAR DAYS BEFORE THE DATE THE
26 CONTRACTOR OR SUBCONTRACTOR EXPECTS TO USE APPRENTICE LABOR.

27 17-605.1.

28 (A) WHILE CONSTRUCTION ACTIVITY ON A COVERED PROJECT IS ONGOING,
29 EACH CONTRACTOR AND SUBCONTRACTOR PERFORMING WORK ON THE COVERED
30 PROJECT SHALL SUBMIT A MONTHLY REPORT TO THE DEPARTMENT THAT
31 INCLUDES:

32 (1) FOR EACH APPRENTICE OR JOURNEYWORKER:

1 (I) THE NAME OF THE APPRENTICE OR JOURNEYWORKER;

2 (II) THE NAME OF THE ASSOCIATED APPRENTICESHIP TRAINING
3 PROGRAM; AND

4 (III) THE APPRENTICE REGISTRATION OR IDENTIFICATION
5 NUMBER;

6 (2) THE TOTAL NUMBER OF APPRENTICES AND LABOR HOURS
7 WORKED, CATEGORIZED BY TRADE OR CRAFT; AND

8 (3) THE TOTAL NUMBER OF JOURNEYWORKERS AND LABOR HOURS
9 WORKED, CATEGORIZED BY TRADE OR CRAFT.

10 (B) WITHIN 60 DAYS AFTER COMPLETING WORK ON A COVERED PROJECT,
11 EACH CONTRACTOR AND SUBCONTRACTOR SHALL SUBMIT TO THE DEPARTMENT:

12 (1) A STATEMENT OF THE TOTAL NUMBER OF LABOR HOURS OF WORK
13 ON A COVERED PROJECT, INCLUDING CONSTRUCTION, ALTERATION, AND REPAIR
14 WORK, PERFORMED BY AN APPRENTICE OR JOURNEYWORKER; AND

15 (2) IF APPLICABLE, A WRITTEN DECLARATION AND SUPPORTING
16 DOCUMENTS JUSTIFYING ANY WAIVER RECEIVED UNDER § 17-604.1 OF THIS
17 SUBTITLE.

18 (C) THE DEPARTMENT SHALL MAINTAIN ON ITS WEBSITE:

19 (1) DATA AGGREGATED FROM THE REPORTS RECEIVED UNDER
20 SUBSECTIONS (A) AND (B) OF THIS SECTION SHOWING THE USE OF QUALIFIED
21 APPRENTICES AND JOURNEYWORKERS ON COVERED PROJECTS; AND

22 (2) DESCRIPTIONS OF THE CIRCUMSTANCES OF ANY WAIVER
23 GRANTED UNDER § 17-604.1 OF THIS SUBTITLE.

24 17-606.

25 (a) A contractor or subcontractor that fails to meet the requirements of this
26 subtitle shall be liable for an amount equal to:

27 (1) twice the amount of unpaid apprenticeship training contributions
28 required by §§ 17-603 AND 17-604 OF this subtitle; AND

1 **(2) \$100 MULTIPLIED BY THE TOTAL LABOR HOURS FOR WHICH THE**
2 **REQUIREMENT UNDER § 17-603 OF THIS SUBTITLE WAS APPLICABLE.**

3 (b) (1) In this subsection, “willfully” means representations or omissions
4 known to be false or made with deliberate ignorance or reckless disregard for their truth or
5 falsity.

6 (2) Any person, firm, or corporation that is found to have made willfully a
7 false or fraudulent representation or omission regarding a material fact in connection with
8 prevailing wage records required by this section shall be liable for a civil penalty in an
9 amount of up to \$1,000 for each employee and each falsified record.

10 (3) Penalties shall be recoverable [in civil actions and paid to the State]
11 **UNDER THE MARYLAND FALSE CLAIMS ACT.**

12 (c) (1) The Secretary shall adopt regulations to establish administrative
13 procedures for the collection of payments under this subtitle.

14 (2) (i) The Secretary may file suit to enforce this section in any court of
15 competent jurisdiction.

16 (ii) In an action filed under this subsection, the court shall require
17 the contractor or subcontractor to pay the amount required by subsection (a) of this section,
18 including interest, reasonable counsel fees, and court costs.

19 **17-607.**

20 **THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE**
21 **REQUIREMENTS OF THIS SUBTITLE.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2025.