

Chapter 707

(Senate Bill 1009)

AN ACT concerning

Procurement – Prevailing Wage – Liquidated Damages

FOR the purpose of ~~altering the circumstances under which a certain contractor is liable for certain damages and the amount of certain damages for which a certain contractor is liable~~ making a certain contractor liable to a public body for a higher amount of liquidated damages when certain laborers or certain other employees are paid less than certain prevailing wage rates under certain circumstances; and generally relating to the enforcement of the prevailing wage law.

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 17-222
Annotated Code of Maryland
(2015 Replacement Volume)

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

Article – State Finance and Procurement

17-222.

(a) **(1) [A] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A contractor under a public work contract is liable to the public body for liquidated damages of ~~[\$20] \$50~~ for each laborer or other employee for each day for which:**

[(1)] (I) the laborer is paid less than the prevailing wage rate of a mechanic while performing a task required to be performed by a mechanic or mechanic’s apprentice; or

[(2)] (II) the employee is paid less than the prevailing wage rate.

(2) A CONTRACTOR UNDER A PUBLIC WORK CONTRACT THAT KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE CONTRACTOR’S OBLIGATION TO PAY THE PREVAILING WAGE RATE AND THAT DELIBERATELY FAILED OR REFUSED TO PAY THE PREVAILING WAGE RATE IS LIABLE TO THE PUBLIC BODY FOR LIQUIDATED DAMAGES OF ~~\$500] \$250~~ FOR EACH LABORER OR OTHER EMPLOYEE FOR EACH DAY FOR WHICH:

(I) THE LABORER IS PAID LESS THAN THE PREVAILING WAGE RATE OF A MECHANIC WHILE THE LABORER IS PERFORMING A TASK REQUIRED TO BE PERFORMED BY A MECHANIC OR MECHANIC’S APPRENTICE; OR

(II) THE EMPLOYEE IS PAID LESS THAN THE PREVAILING WAGE RATE.

(b) (1) If a contractor or subcontractor pays an employee less than the amount the employee is entitled to receive for the work performed, the contractor shall make restitution to the employee.

(2) The contractor and the subcontractor shall be jointly and severally liable for restitution to the subcontractor’s employees.

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.