



**Testimony of Kurt Snyder, Marketing and Communications Manager,
Sheet Metal and Air Conditioning Contractors Association, Mid-Atlantic Chapter
on
Montgomery County Council Bill 35-21:
Prevailing Wage – Construction Contracts – Amendments**

POSITION: SUPPORT WITH AMENDMENTS

Thank you for the opportunity to submit testimony on Bill 35-21. My name is Kurt Snyder. I am the Marketing and Communications Manager for the Mid-Atlantic Chapter of the Sheet Metal and Air Conditioning Contractors Association, or SMACNA for short.

SMACNA is a worldwide organization that represents more than 3,500 union HVAC and sheet metal contractors. We have 45 member firms headquartered in Maryland, including many with offices in Montgomery County.

SMACNA supports Bill 35-21 because it lowers the County's prevailing wage threshold to \$250,000 and expands its coverage to include "routine operation, repair, and service contracts for maintenance of existing structures, buildings, or real property that will significantly restore, change, increase, or extend service life."

These modifications to Montgomery County's prevailing wage law are game-changers for SMACNA members because they will help them compete on a broader range of projects. From a contractors' perspective, prevailing wage is very helpful because it levels the playing field for reputable, high road contractors like the members of SMACNA. Prevailing wage prevents low-road contractors from undercutting high-road contractors committed to paying decent wages and benefits. Prevailing wage signals to high-road companies that they can compete for and win government contracts. Experience shows that by raising standards for workers, governments like Montgomery County can encourage more companies to bid for contracts.

SMACNA also supports the local hiring portion of Bill 35-21. It is good public policy to have local taxpayer dollars create for local jobs for Montgomery County residents. And with prevailing wage in place, local residents will not need to commute out-of-county to earn decent, family-supporting wages. And for local contractors, that also makes it easier to retain a quality workforce.

SMACNA does offer some suggested amendments for Bill 35-21, which we believe will bring it into line with best practices occurring in other Maryland counties. Specifically:

1. **Amend the bill so that prevailing wage applies to county-subsidized capital projects, such as those receiving tax increment financing (TIFs) or payment in lieu of taxes (PILOTs), as well as public-private partnerships (P3s).** As drafted, Bill 35-21 covers P3s in which the county has invested \$5,000,000 or more, with a carve-out for certain affordable housing projects, but is silent on PILOTs and TIFs. Baltimore County's prevailing wage law, passed in 2020, covers county-subsidized projects receiving \$5,000,000 or more, whether the subsidy comes in the form of a P3, TIF, or PILOT. Requiring prevailing wage on economic development projects receiving large taxpayer subsidies will help reputable contractors like the members of SMACNA compete and win this work.
2. **Amend the bill to set the County's prevailing wage threshold at \$250,000, or the state's threshold, whichever is lower.** As drafted, the legislation bases the County's threshold on the state's threshold, which is currently \$250,000 (lowered from \$500,000 in 2021.) Baltimore County's threshold is \$300,000 and Anne Arundel County's threshold is \$250,000, but neither is linked to state's threshold.

On behalf of all the sheet metal contractors who belong to SMACNA, we urge the County Council to pass Bill 35-21 as soon as possible. Thank you for the opportunity to share our thoughts and on this very important bill.