

# HOUSE BILL 317

C8, P2, K3

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By: Delegate Stewart

Introduced and read first time: January 15, 2026

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2                   **Recipients of Economic Development Assistance or State Contracts –**  
3                   **Certification of Compliance With State Labor Laws**

4 FOR the purpose of requiring certain persons that receive certain State economic  
5 development assistance to make a certification each year that the person was not the  
6 subject of a final adverse determination concerning a certain obligation and is not  
7 currently failing to comply with certain outstanding requirements under a prior final  
8 judgment or order; requiring a certain unit of State government to initiate a certain  
9 pause on disbursements or approvals of certain economic development assistance or  
10 new or renewals of certain State contracts under certain circumstances; requiring a  
11 certain unit to remove a certain pause if certain circumstances are met; authorizing  
12 the taking of certain actions if a person willfully files a false certification; providing  
13 that this Act does not create a new audit program; authorizing certain units to release  
14 certain information about certain persons required to make the certification; and  
15 generally relating to certifications required of persons receiving State economic  
16 development assistance or that have entered into certain contracts.

17 BY adding to

18                  Article – Economic Development  
19                  Section 5–108  
20                  Annotated Code of Maryland  
21                  (2024 Replacement Volume and 2025 Supplement)

22 BY adding to

23                  Article – State Finance and Procurement  
24                  Section 17–1001 and 17–1002 to be under the new subtitle “Subtitle 10. Certification  
25                  of Compliance With Labor Laws”  
26                  Annotated Code of Maryland  
27                  (2021 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Economic Development**

4 **5–108.**

5 **IF A PERSON IS REQUIRED TO FILE AN ANNUAL CERTIFICATION UNDER § 17–1001  
6 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE PERSON IS NOT ELIGIBLE  
7 TO RECEIVE PAYMENT OF A STATE ECONOMIC DEVELOPMENT GRANT, LOAN, LOAN  
8 GUARANTEE, OR TAX CREDIT IN A FISCAL YEAR UNTIL THE PERSON HAS FILED THE  
9 ANNUAL CERTIFICATION APPLICABLE FOR THAT FISCAL YEAR.**

10 **Article – State Finance and Procurement**

11 **SUBTITLE 10. CERTIFICATION OF COMPLIANCE WITH LABOR LAWS.**

12 **17–1001.**

13 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.**

15 **(B) “ADMINISTERING AGENCY” MEANS A STATE AGENCY OR UNIT THAT  
16 ADMINISTERS:**

17 **(1) ECONOMIC DEVELOPMENT ASSISTANCE; OR**

18 **(2) A STATE PROCUREMENT CONTRACT.**

19 **(C) “COVERED OBLIGATIONS” MEANS, TO THE EXTENT APPLICABLE TO A  
20 COVERED RECIPIENT’S OPERATIONS IN THE STATE, REQUIREMENTS UNDER TITLE 3,  
21 SUBTLES 2, 3, 4, 5, 8, AND 9 OF THE LABOR AND EMPLOYMENT ARTICLE.**

22 **(D) “COVERED RECIPIENT” MEANS A PERSON THAT, IN THE PRECEDING  
23 FISCAL YEAR:**

24 **(1) RECEIVED \$100,000 OR MORE IN ECONOMIC DEVELOPMENT  
25 ASSISTANCE; OR**

26 **(2) HELD AGGREGATE STATE PROCUREMENT CONTRACTS OF \$250,000  
27 OR MORE.**

1       (E) "ECONOMIC DEVELOPMENT ASSISTANCE" MEANS ANY STATE PROGRAM  
2 THAT PROVIDES BUSINESS OR ECONOMIC DEVELOPMENT SUPPORT, INCLUDING  
3 GRANTS, LOANS, LOAN GUARANTEES, OR TAX CREDITS.

4       (F) "FINAL ADVERSE DETERMINATION" MEANS:

5           (1) A FINAL NONAPPEALABLE COURT JUDGMENT OR ADMINISTRATIVE  
6 ORDER FINDING A VIOLATION OF A COVERED OBLIGATION; OR

7           (2) A SETTLEMENT THAT INCLUDES AN ADMISSION OR STIPULATED  
8 FINDING OF A VIOLATION OF A COVERED OBLIGATION.

9       (G) "PAUSE" MEANS A TEMPORARY INELIGIBILITY OF A COVERED RECIPIENT  
10 TO RECEIVE:

11           (1) NEW DISBURSEMENTS OF PREVIOUSLY APPROVED STATE  
12 ECONOMIC DEVELOPMENT ASSISTANCE;

13           (2) NEW APPROVALS OF STATE ECONOMIC DEVELOPMENT  
14 ASSISTANCE; OR

15           (3) NEW CONTRACT AWARDS OR RENEWALS OF EXISTING CONTRACTS.

16 17-1002.

17       (A) (1) ON OR BEFORE JULY 1 EACH YEAR BEGINNING IN 2027, EACH  
18 COVERED RECIPIENT SHALL FILE WITH THE ADMINISTERING AGENCY A  
19 CERTIFICATION SIGNED BY AN AUTHORIZED OFFICER STATING THAT, TO THE  
20 SIGNER'S KNOWLEDGE AFTER REASONABLE INQUIRY, DURING THE YEAR PRECEDING  
21 THE CERTIFICATION DATE, THE COVERED RECIPIENT:

22           (I) WAS NOT THE SUBJECT OF A FINAL ADVERSE  
23 DETERMINATION CONCERNING A COVERED OBLIGATION; AND

24           (II) IS NOT CURRENTLY FAILING TO COMPLY WITH ANY  
25 OUTSTANDING REQUIREMENT UNDER A PRIOR FINAL JUDGMENT OR ORDER  
26 CONCERNING A COVERED OBLIGATION.

27       (2) A CERTIFICATION MAY BE SUBMITTED ELECTRONICALLY  
28 THROUGH A STATE VENDOR OR INCENTIVE PORTAL DESIGNATED BY THE BOARD OF  
29 PUBLIC WORKS OR THE DEPARTMENT OF COMMERCE.

1           **(B) (1)** EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IF A  
2 COVERED RECIPIENT DOES NOT FILE THE CERTIFICATION REQUIRED UNDER  
3 SUBSECTION (A) OF THIS SECTION THE ADMINISTERING AGENCY SHALL SEND  
4 WRITTEN NOTICE TO THE COVERED RECIPIENT THAT THE COVERED RECIPIENT HAS  
5 30 DAYS TO COMPLY WITH THE CERTIFICATION REQUIREMENT.

6           **(2)** IF A COVERED RECIPIENT DOES NOT FILE THE CERTIFICATION  
7 WITHIN 30 DAYS AFTER THE NOTICE IS SENT, THE ADMINISTERING AGENCY SHALL  
8 INITIATE A PAUSE OF THE COVERED RECIPIENT TO REMAIN IN EFFECT UNTIL:

9                   **(I)** THE CERTIFICATION IS FILED; AND

10                  **(II)** IF THE COVERED RECIPIENT WAS UNABLE TO MAKE THE  
11 CERTIFICATION DUE TO THE FAILURE TO COMPLY WITH A FINAL ADVERSE  
12 DETERMINATION, PRIOR FINAL JUDGMENT, OR ORDER CONCERNING A COVERED  
13 OBLIGATION, THE LATER OF:

14                   **1.** 12 MONTHS AFTER THE DATE OF THE MOST RECENT  
15 FINAL ADVERSE DETERMINATION; OR

16                   **2.** THE COVERED RECIPIENT'S COMPLETION OF ALL  
17 CORRECTIVE ACTIONS AND PAYMENTS REQUIRED BY THE PRIOR FINAL ADVERSE  
18 DETERMINATION OR ORDER.

19           **(C)** NOTHING IN THIS SECTION REQUIRES:

20                  **(1)** A COVERED RECIPIENT TO REIMBURSE ANY FUNDS PREVIOUSLY  
21 RECEIVED; OR

22                  **(2)** THE TERMINATION OF EXISTING CONTRACTS.

23           **(D)** AN AGENCY MAY NOT INITIATE A PAUSE DUE TO A FINAL ADVERSE  
24 DETERMINATION IF:

25                  **(1)** TOTAL MONETARY RELIEF, INCLUDING WAGES, PENALTIES, AND  
26 CONTRIBUTIONS, IS LESS THAN \$5,000;

27                  **(2)** THERE IS NO FINDING OF WILLFULNESS, CHILD LABOR, OR  
28 MISCLASSIFICATION; AND

29                  **(3)** THE RECIPIENT PAID THE MONETARY RELIEF IN FULL WITHIN 30  
30 DAYS AFTER THE DETERMINATION.

1           **(E) A WILLFULLY FALSE CERTIFICATION MAY:**

2               **(1) BE REFERRED TO THE OFFICE OF THE ATTORNEY GENERAL UNDER**  
3   **THE MARYLAND FALSE CLAIMS ACT; AND**

4               **(2) CONSTITUTE GROUNDS FOR SUSPENSION OR DEBARMENT UNDER**  
5   **TITLE 16 OF THIS ARTICLE.**

6           **(F) A PAUSE UNDER THIS SECTION MAY NOT BE CONSIDERED TO BE A**  
7   **PENALTY.**

8           **(G) (1) THIS SECTION DOES NOT CREATE A NEW AUDIT PROGRAM.**

9               **(2) THE BOARD OF PUBLIC WORKS MAY ADOPT A SINGLE-QUESTION**  
10   **MODEL CERTIFICATION FORM AND INTEGRATE FILING INTO EXISTING PORTALS.**

11           **(H) AN ADMINISTERING AGENCY MAY PUBLISH A LIST INDICATING WHICH**  
12   **COVERED RECIPIENTS:**

13               **(1) HAVE COMPLIED WITH THE CERTIFICATION REQUIREMENT; OR**

14               **(2) ARE PAUSED IN ACCORDANCE WITH THIS SECTION.**

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16   October 1, 2026.