

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

BILL NUMBER: 100-25

INTRO. DATE: Dec. 15, 2025

FISCAL NOTE

BILL: PURCHASING – PROCUREMENT – PROJECT LABOR AGREEMENTS

SUMMARY OF LEGISLATION

This bill requires that for county construction projects with estimated costs of \$10 million or more, the County may require each contractor and sub-contractor to join into a Project Labor Agreement (PLA). The agreement would contain guarantees against strikes, lockouts, and similar disruptions; set forth procedures for resolving labor disputes; establish terms and conditions for contractors and sub-contractors; permit all contractors and sub-contractors to compete for contracts or sub-contracts regardless of affiliations with labor organizations or participation on collective bargaining agreements.

The requirements apply if the County finds that the project labor agreement will advance the County's interests, and further the goals of timely completion, high-quality workmanship, and equitable economic opportunity. However, the legislation does not clarify how the County or the Department of Public works will make this determination. The requirement does not apply to workforce housing projects.

FISCAL IMPACT

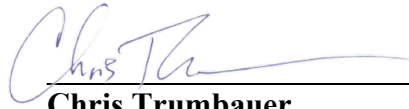
Operating Budget – Personal Services: The Purchasing Division of the Office of Central Services (OCS) could see an impact in workload depending on staff review time, which could require additional staffing. The number of positions and cost cannot be reliably estimated, and will depend on the number of projects affected annually and the complexity of the Project Labor Agreements.

Operating Budget – Other Operating Costs: The bill may involve increased operating expenses, including additional software required for tracking and reporting and consulting services. The amount cannot be reliably estimated and will depend on the number of projects affected annually and the complexity of the Project Labor Agreements.

Capital Budget: The Department of Public Works advises that the requirements for a Project Labor Agreement could increase bid costs for affected projects due to higher labor rates for construction projects that use PLA's. The County could also expect indirect capital project cost increases due to administrative costs and a reduced bidder pool. It is not possible to quantify those costs at this time. There are 73 projects in the FY2026 approved Capital Improvement Program for fiscal years 2026 to 2031 with total estimated costs of \$10 million or more.

Revenues: No effect.

Indirect and future fiscal effects: If capital projects become more expensive to construct, the number of projects in the CIP could be reduced in order to fit within the fines of the County's affordability model.



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Budget Officer

12/22/2025

Date

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