



**TESTIMONY OF PRINCE GEORGE'S COUNTY COUNCIL MEMBER MEL
FRANKLIN**

**FAVORABLE Support of HB 747:
State and Local Procurement – Payment Practices**

Dear Chair and Committee Members:

My name is Mel Franklin, a Prince George's County Council Member At-Large and I am here to express my full support of House Bill 747, which shortens the time for the State and for local jurisdictions to make payments for completed work in procurement contracts to 15 days after receipt of a proper invoice, rather than the current policy of 30-45 days.

I've discussed payment issues with countless small and minority businesses over the years and the length of time it takes state and local governments to pay for work long-since-completed is a clear job killer, as it creates uncertainty for businesses in retaining and paying employees and subcontractors and can cause small businesses to go out of business. Small businesses do not have the capacity or margins that larger firms have to "float" unpaid workers with existing resources.

Altering the current payment schedule to 15 days rather than the current 30 days would obviously greatly impact and benefit small businesses by giving them a more consistent funding stream in a time frame similar to a typical pay period, which would give those businesses more of an ability and confidence to create jobs and grow their businesses. This helps grow Maryland's commercial tax and jobs base, which provides our State and local governments with more revenue to fund important priorities, like schools, public safety, transportation, and services for seniors and youth. HB 747 also follows in the footsteps of the federal government in assuring our business community stays vital by paying its contractors in a timely manner for the goods and services they provide.

House Bill 747 would create growth and expansion of small and minority businesses in Maryland, consistent job growth in our communities, and a larger commercial revenue base to support important public priorities.

Thus, I urge a favorable report on House Bill 747.

Respectfully,

Mel Franklin
Council Member At-Large
Prince George's County Council