CHAIRMAN: Jeff Graf VICE CHAIRMAN David Slaughter



TREASURER: Paul Bramble SECRETARY: Curtis Hall PRESIDENT: G. Marshall Klinefelte

January 19, 2023

Senator Guy Guzzone, Chair Budget and Taxation Committee 3 West, Miller Senate Office Building Annapolis, MD 21401

RE: SB 112 – <u>FAVORABLE</u> – State Finance and Procurement – Grants – Prompt Payment Requirement

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 112 would require the State to make payment under a grant agreement within 30 days after payment is due under the grant agreement or the day an invoice is received, after which interest shall accrue. We appreciate and applaud the sponsor for reintroducing this piece of legislation, with the aim to correct the longstanding problem with prompt payments. Our members struggle with this frequently in our industry and hope codifying a more expedient payment schedule will ensure contractors are paid on time.

We appreciate you taking the time to address this issue and we respectfully urge a favorable report on Senate Bill 112.

Sincerely,

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Marshall Klinefelter President Maryland Asphalt Association

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