



*The Voice of Merit Construction*

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To: Senate Budget & Taxation Committee  
From: Associated Builders & Contractors  
RE: SB 375 - State Contracts - Prohibited Provisions  
Position: Unfavorable

Associated Builders and Contractors (ABC) represent more than 1500 construction and construction-related companies through its four Maryland chapters. Our members believe in the tenants of free enterprise, investing in their workforce and giving back to the communities in which they live, work and play.

Senate Bill 375 prohibits State contracts from including specified provisions that generally restrict the power and rights of the State. If a contract includes a prohibited provision, the provision is void and the contract remains enforceable as if it did not contain the provision. A State contract that includes a prohibited provision is governed by and must be construed in accordance with State law, regardless of any term or condition to the contrary within the contract.

ABC is opposed to SB 375, while we acknowledge the intent of the legislation, we express concerns about the potential consequences of this legislation on contractors. Contractors, aware or unaware of heightened liabilities, may persist in bidding and signing contracts. This could escalate insurance expenses and potentially limit bonding access, given the State-centric tilt in owner-contractor agreements. The ripple effect through insurance and surety markets, exacerbated by losses impeding the equitable application of negligence and responsibility, would burden contractors with an increased share of responsibility over time.

ABC appreciates your consideration and, for these reasons, respectfully requests a **unfavorable** report on Senate Bill 375.

*Martin "MJ" Kraska  
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