

# SENATE BILL 403

P2

5lr1708

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By: **Senator McCray**

Introduced and read first time: January 20, 2025

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement – Construction and Services – Contract Modification**

3 FOR the purpose of requiring a procurement contract for construction or services to include  
4 a clause requiring contract modification for increased costs for compensation and  
5 benefits under certain circumstances; and generally relating to procurement  
6 contracts for construction and services.

7 BY repealing and reenacting, with amendments,  
8 Article – State Finance and Procurement  
9 Section 13–218(b)  
10 Annotated Code of Maryland  
11 (2021 Replacement Volume and 2024 Supplement)

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

14 **Article – State Finance and Procurement**

15 13–218.

16 (b) **(1)** In addition to the clauses required under subsection (a) of this section,  
17 a procurement contract for construction shall include:

18 **[(1)] (I)** a clause providing for contract modification if the condition of a  
19 site differs from the condition described in the specifications; **[and]**

20 **[(2)] (II)** a clause covering the requirements for notice of contract claims,  
21 submission of contract claims, and resolution of contract claims under § 15–219 of this  
22 article; **AND**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   **(III) A CLAUSE REQUIRING CONTRACT MODIFICATION FOR THE**  
2 **EQUITABLE ADJUSTMENT OF THE CONTRACT FOR INCREASED COSTS FOR**  
3 **COMPENSATION AND BENEFITS AS A RESULT OF:**

4                   **1. STATUTORY CHANGES INCREASING REQUIRED**  
5 **COMPENSATION OR BENEFITS; OR**

6                   **2. COLLECTIVE BARGAINING.**

7                   **(2) IN ADDITION TO THE CLAUSES REQUIRED UNDER SUBSECTION (A)**  
8 **OF THIS SECTION, A PROCUREMENT CONTRACT FOR SERVICES SHALL INCLUDE A**  
9 **CLAUSE REQUIRING CONTRACT MODIFICATION FOR THE EQUITABLE ADJUSTMENT**  
10 **OF THE CONTRACT FOR INCREASED COSTS FOR COMPENSATION AND BENEFITS AS A**  
11 **RESULT OF:**

12                   **(I) STATUTORY CHANGES INCREASING REQUIRED**  
13 **COMPENSATION OR BENEFITS; OR**

14                   **(II) COLLECTIVE BARGAINING.**

15                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2025.