

February 15, 2021

Delegate Shane E. Pendergrass
Chair, Health and Government Operations Committee
Maryland House of Delegates
Room 241, House Office Building
Annapolis, MD 21401

RE: HB454 – State and Local Procurement -Payment Practices
Position: **SUPPORT with Amendments**

Dear Chair Pendergrass, Vice Chair Pena-Melnyk and Members of the Committee:

On behalf of our 500-member businesses and more than 45,000 employees in Montgomery County, The Greater Bethesda Chamber of Commerce is in **Support of HB454 – State and Local Procurement – Payment Practices**. This bill would alter a State policy to make a payment under a procurement contract or after receipt of a proper invoice in 15 days rather than the current policy of 30 days; and requiring each county and municipality to adopt a certain policy, reducing the number of days from 45 to 15 following receipt of an invoice after which the State owes interest on unpaid amounts and interest begins to accrue on unpaid amounts.

As many small businesses depend upon timely payments for services they have already provided and paid for, this bill provides great insurance for Maryland companies to know that governments – local and State – will be more responsible in their payment practices. Although we realize that the turnaround time of 15 days would be more costly and require more staff for some agencies, we believe that if governments truly sent payments out within 30 days of receipt of invoice, this would enable businesses to have the capital they need to maintain their businesses. **Therefore, we recommend that the best number of days for payment of invoices should be no later than 30 days (rather than 15).**

As Maryland State Treasurer Nancy Kopp testified last year, “the State, as employer, is in a better and more appropriate position to bear this cost than the small vendor with whom we wish to do business and whom we hope to see grow and increase in our new economy.”

Therefore, we ask you for a **FAVORABLE** report with the recommended amendments. Thank you for your consideration of our remarks.

Sincerely,



Allie Williams
President & CEO