



February 3, 2021

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

FAVORABLE

Re: **HOUSE BILL 454 – STATE AND LOCAL PROCUREMENT – PAYMENT PRACTICES**


Dear Chairman Pendergrass and Committee Members:


The Maryland Transportation Builders and Materials Association (“MTBMA”) and the Maryland Asphalt Association (“MAA”) collectively represent tens of thousands of Marylanders who operate in the areas of transportation construction, production and engineering. Together, for nearly 100 years, these organizations have served as the voice of the transportation construction industry. The mission of both MTBMA and MAA is to encourage, develop, and protect the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry, and also advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

This bill would require State agencies to make payments under procurement contracts within 15 days after payment becomes due per the contract or after the invoice is received, and require interest accrual to start after the 15 days. We applaud the sponsor for introducing this legislation. We 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 House Bill 454.

Sincerely,


Michael Sakata
President & CEO, MTBMA


Marshall Klinefelter
President, MAA