



SENATE BUDGET AND TAXATION COMMITTEE
House Bill 325
State and Local Procurement – Payment Practices
March 29, 2022
Celeste Denson, Comptroller
Information

Chair Guzzone, Vice Chair Rosapepe, and members of the committee thank you for the opportunity to comment on House Bill 325. The bill makes interest on unpaid invoices under State procurement contracts payable after 37 days (instead of 45 days) from when the agency receives an invoice.

The University of System is supportive of implementing processes that will pay vendors in a timely manner while ensuring the appropriate approval process is maintained. It will take additional staff and IT Investment to make the required improvements to decrease the payment time. USM is requesting the grace period be reduced as little as possible as the study is performed on how best to improve the process.

In addition, currently vendors are required to submit a late payment invoice in order to be paid interest. It will take time and resources to implement a process to pay vendors without an invoice. The University System of Maryland is requesting vendors be required to continue to bill for late payments.

Thank you for allowing the USM to share these thoughts about House Bill 325.