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MARYLAND ASPHALT ASSOCIATION



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February 16, 2022

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB 553 – FAVORABLE – State Finance and Procurement – Retention Proceeds

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 553 requires all undisputed retention proceeds that have been retained by a unit of State government or by a contractor as part of a State procurement to be paid within 90 days following the date of substantial completion. This bill would greatly benefit our industry by providing a reliable and secure process of payment for our members, allowing us to serve the State of Maryland more effectively. Under current law, our contractors and subcontractors often take on burdensome costs that are harmful to their functioning as a business, and adding the economic effects of COVID-19 on top of that has created a difficult environment to operate and flourish in. By offering timely assurance of payments to our contractors and subcontractors, we are better able to support our State's countless construction and transportation projects that are essential to our entire infrastructure network.

We appreciate you taking the time to address this important issue and we respectfully urge a favorable report on Senate Bill 553.

Thank you,

Marshall Klinefelter
President
Maryland Asphalt Association