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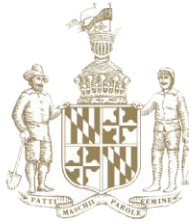
Land Use and Ethics Subcommittee

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on Ending
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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 308 **Online Payment Processing Portal** **Health & Government Operations Committee** **February 15, 2022**

What this bill does

This bill requires the Comptroller's Office to maintain an online payment processing portal to track money owed to nonprofits, corporations, and local governments doing business with the state. The Comptroller's office would consult with the Department of Information Technology on the design, development, implementation, and operation of the online payment processing portal.

The online payment processing portal will:

- Notify a payee when required documents for payment are received
- Notify a payee when its request for payment is a) under review, b) approved for payment; AND c) when it has been paid by the state
- Provide the name, e-mail address, and telephone number of the individual who is responsible for reviewing and approving a payment
- Allow the public to search payments made to a payee using the name and address for the payee, and by the unit of state government making the payment, geographic location of the payment, or category of the expense

Why it matters

This bill seeks to create a more modern, user-friendly, and responsive process for payees that are waiting on payments from the State. It would make Maryland a better place to do business and create an easier system for nonprofits to navigate receipt of funding.

The state contracts with thousands of vendors to carry out billions of dollars worth of work each year - for everything from constructing new schools and stadiums to operating art programming and sports camps in local rec centers. Over the years, Senator Kagan and I have each had multiple businesses in our district come to us in search of late payments from the Comptroller's office for completed work. Vendors should not have to get their elected officials involved to find out where their payments are, but currently it is impossible for a vendor to ascertain whether a payment is being held up for any of a variety of reasons, including: incomplete invoices, missing sales taxes, or human error.

Late / lost payments are more than an inconvenience - they can be a disaster for nonprofits or businesses with limited capital. This disproportionately impacts small and minority owned businesses. The current lack of transparency and reputation of late payments makes the State an unattractive business partner.

Under this bill, if a payee has not been paid what they owe, they can simply log on to the payment processing portal, figure out where their payment is in the process and who they can contact for more information. The goal is for this process to mirror an online order: you are notified of where your purchase (or in this case, payment) is in every step of the process, through delivery.

Why you should vote for this bill

The state needs to modernize the way that it does business with for-profit and nonprofit companies. There are too many reports of significant delays, a lack of transparency, and inadequate communication from businesses that contract with the state.

The Comptroller's Office acknowledges the insufficiency of the current system and has started work on a very similar concept.

While their portal is a step in the right direction, we believe that three additional features could make it more effective and helpful to payees: 1) the ability to send push notifications so that payees have more information about where their payment is in the process; 2) provide a point of contact (name, email, phone) for the individual responsible for reviewing and approving the payment; and 3) integrate this portal with eMMA - the state's system for creating, selecting, and awarding contracts. In addition, information for the logging into this system should be available in all communications with payees.

Residents and businesses are accustomed to and deserve a higher level of communication and customer service. Vendors should have the ability to easily track where their payments are from the state and be able to intervene if they need additional information, have questions, or concerns. This bill will make Maryland a better place to do business. **I request a favorable vote on HB308.**