



International Brotherhood of Electrical Workers

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TESTIMONY IN SUPPORT OF SB 453 STATE & PRIVATE CONSTRUCTION CONTRACTS-PROMPT PAYMENT February 23, 2023

TO: Hon. Melony Griffith, Chair and members of the Senate Finance Committee
From: Joe Dabbs, Business Manager, International Brotherhood of Electrical Workers, Local 26

Madam Chair and members of the Senate Finance Committee, I respectfully ask that you give a **favorable** report to **SB 453**. The electrical construction industry in Maryland has never seen better times between Labor and Management. Both the IBEW and the National Electrical Contractors Association (NECA) have in recent years cultivated a relationship of understanding and prosperity for both parties. Therefore today, I speak in coordination with the contractors and **support** this prompt payment bill.

So many of our Contractors, especially minority contractors are put in financial risk because unconscionable General Contractors withhold payment for services rendered. Quite often this delay in payment is without reason or to collect interest on the sometimes millions of dollars that subcontractors have earned. SB 453 forces a General Contractor to publicly state the reason for withholding, to notify the sub-contractor, and pay a rate of 9% interest after 60 days of non-compliance. The authors of this bill should be commended because these simple rules will take care of the existing problem. It will keep the honest General contractors honest and force the unscrupulous General contractors to be honest.

I am the leader of 11,000 members and we at IBEW Local 26 depend upon Electrical Contractors that are financially secure and free of obstacles regarding payment of services rendered. I encourage this committee to join in this solidarity between labor and management and pass this bill. It works for everyone and as the Fiscal Summary notes, there is no effect on State finances.

Please take notice of this joint effort between IBEW Local 26 and NECA Contractors, as we seek fair business practices in the State. The state that encourages minority and veteran owned businesses and the diverse workforce they employ. Please join all of us and vote **favorable on SB 453**. Thank you very much

