



Senate Finance

To: Senator Melony Griffith, Chair; Senator Kathy Klausmeier, Vice-Chair; and Members of the Committee
From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

SUPPORT – SB 453 – State and Private Contracts – Prompt Payment Requirement

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **SUPPORT SB 453**.

During their 2021 legislative session, the Virginia General Assembly passed SB 550. It was passed with a bipartisan coalition and signed by their republican Governor. SB 453 was drafted to mirror this legislation. S ensured contractors, union or non-union, receive payment for completed work.

Non-Payment is a significant issue in the construction industry. In fact, we had a United State President (whom I won't name) who was notorious for not paying his contractors for completed work, and in many cases, it led to contractors going out of business. When owners, Prime contractors (General Contractors), or higher-level subcontractors withhold payment from their lower-level subcontractors, these lower-level subcontractors have trouble paying their obligations, including workers. Many of these lower-level subcontractors are small businesses that are otherwise profitable but do not have large reserves of money to cover costs while waiting to be paid.

HB 1097 does this by putting the liability on the initial source of the non-payment, banning pay-if-paid clauses, and setting a required standard for payment from Owner to Prime Contractor and Prime to Subs. These updates will ensure continuity of work for the owners, financial stability for the contractors, and ensure that workers get paid for their work.

For all the reasons listed above, I ask that you **SUPPORT SB 453**.

Sincerely,

Jason Ascher
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