



T 301.621.9545
800.470.3013
F 301.912.1665
www.iecchesapeake.com

8751 Freestate Drive
Suite 250
Laurel, MD 20723

February 23, 2023

To: Members of the Senate Finance Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Support Senate Bill 453 – State and Private Construction Contracts – Prompt Payment Requirements

Independent Electrical Contractors (IEC) Chesapeake supports Senate Bill (SB) 453 and requests a favorable report.

Senate Bill 453 would require that contractors pay subcontractors within 60 days of receiving an invoice if the work had been satisfactorily completed or 7 days after receipt of payment by the owner to the contractor for work performed by the subcontractor. These requirements do not apply to subcontractors who are not in compliance with the contract. The contractor must provide a subcontractor within 60 days in writing the reason for withholding payments. A contractor not in compliance with the 60 day payment requirement would be required to pay interest at 9 percent per year on unpaid monies owed.

Subcontractors including IEC Chesapeake members face many challenges in conducting their business operations. Senate Bill 453 would help subcontractors receive payments in a timely manner and help them maintain adequate cash flow.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 1-301-621-9545, extension 114 or at gshmelzer@iec-chesapeake.com or Kevin O’Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

