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TREASURER: Paul Bramble SECRETARY: Curtis Hall PRESIDENT: G. Marshall Klinefelter

March 1, 2023

Delegate Pena-Melnyk Chair Health and Government Operations Committee Room 241 House Office Building Annapolis, MD 21401

## **RE:** House Bill 1154– <u>FAVORABLE</u> – State Procurement – Payment Practices

Dear Chair Pena-Melnyk and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively 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.

This bill would require State agencies to make payments under procurement contracts within 15 days after payment becomes due per the contract or after the invoice is received, and require interest accrual to start after the 15 days, instead to the current time frame of 45 days. We applaud the sponsor for introducing this legislation again. We struggle with this frequently in our industry and hope codifying a more expedient payment schedule will ensure contractors are paid on time.

We appreciate you taking the time to consider our request for a FAVORABLE report on House Bill 1154.

Sincerely,

Tauskall Klinefelth

Marshall Klinefelter President Maryland Asphalt Association