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February 22, 2023

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

RE: House Bill 328 – <u>FAVORABLE</u> – State Finance and Procurement – Grants – Prompt Payment Requirement

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.

House Bill 328 would require the State to make payment under a grant agreement within 30 days after payment is due under the grant agreement or the day an invoice is received, after which interest shall accrue. We appreciate and applaud the sponsor for reintroducing this piece of legislation, with the aim to correct the longstanding problem with prompt payments. Our members 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 address this issue and we respectfully urge a favorable report on House Bill 328.

Sincerely,

Marshall Klinefelter

President

Maryland Asphalt Association