



January 24, 2024

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 183 – FAVORABLE WITH AMENDMENTS – State Procurement – Prompt Payment of Suppliers

Dear Chair Guzzone and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 183 defines suppliers and would require contractors and subcontractors to promptly pay suppliers any undisputed amount that is owed. We appreciate the Sponsor introducing this legislation but have concerns as it relates to the relationship, or lack thereof, between a prime contractor and a supplier. Often, a prime contractor has no relationship with a supplier—suppliers work directly with subcontractors and never meet or have agreements with a prime contractor. This legislation would result in wide sweeping liability to the prime contractor when it should not. We have drafted what we believe to be a friendly amendment to solve this problem. By removing subcontractor from the definition of supplier and adding “prime” to contractor, this establishes that suppliers shall be promptly paid by the prime contractor when they have a direct relationship with each other. Please see the language below. We have also attached the amendment language on Page 2.

(2) “SUPPLIER” MEANS A PERSON THAT HAS SUPPLIED LABOR OR MATERIALS TO A PRIME CONTRACTOR [OR SUBCONTRACTOR] IN THE PROSECUTION OF WORK PROVIDED FOR IN A STATE PROCUREMENT CONTRACT.

We appreciate you taking the time to consider our amendment on Senate Bill 183.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

AMENDMENT TO SENATE BILL 183

Page 1, Line 19: Add “prime” before contractor and strike “or subcontractor”

(2) “SUPPLIER” MEANS A PERSON THAT HAS SUPPLIED LABOR OR MATERIALS TO A **PRIME** CONTRACTOR [OR SUBCONTRACTOR] IN THE PROSECUTION OF WORK PROVIDED FOR IN A STATE PROCUREMENT CONTRACT.