

JACK BAILEY
Legislative District 29
Calvert and St. Mary's Counties

Budget & Taxation Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Annapolis Office
James Senate Office Building
11 Bladen Street, Room 401
Annapolis, Maryland 21401
410-841-3673 • 301-858-3673
800-492-7122 Ext. 3673
Jack.Bailey@senate.state.md.us

District Office
Dorsey Professional Park
23680 Three Notch Road, Unit 101
Hollywood, Maryland 20636
240-309-4238

March 19, 2024

Senate Bill 183 – State Procurement – Prompt Payment of Suppliers

Dear Chair Pena-Melnyk and Members of the Committee,

I am writing to introduce Senate Bill 183. This bill expands the prompt payment statute for State construction projects to ensure that suppliers are compensated appropriately and quickly in the same manner as is currently required for subcontractors.

I introduced this bill following discussions with residents of my district who own businesses which work on State highway projects in St. Mary's County who have not been receiving compensation for their labor or materials in a timely manner. When I inquired with the State Highway Administration on their behalf, I was informed that they were not entitled under the law to prompt payment because these businesses were considered to be "suppliers." I have since heard from many of these businesses that they are no longer interested in doing business with the State because they are not certain that they will receive payments in a timely manner.

Existing State law requires the prompt payment of subcontractors under State procurement contracts, but this statute does not include clearly defined protections for suppliers. Notably, there are provisions of the Real Property Article including suppliers under the protections of the prompt payment statute for private projects. This legislation is intended to resolve this inconsistency and ensure that our local businesses that do work for the State are compensated for their work and materials in a timely manner, as they deserve.

Senate Bill 183 passed the Senate 43-0 and is identical to House Bill 342 as it passed this Committee and the House of Delegates. I respectfully request a favorable report on Senate Bill 183. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bailey".

Senator Jack Bailey