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Committee  
Subcommittees

Health Occupations and Long-Term Care

Public Health and  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

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**HB342 - State Procurement - Prompt Payment of Suppliers**

Good afternoon Madame Chair, Madame Vice Chair, and members of the Health and Government Operations Committee. Thank you for the opportunity to speak with you about House Bill 342.

Maryland's contractors and subcontractors perform critical work on state construction projects, ensuring our state's buildings and infrastructure run smoothly and up to standard. Equally as important, and often overlooked, are material and equipment suppliers. Our office was made aware that many of our state's contracted suppliers were not being compensated by the state in a timely manner. As a result, many suppliers have decided to avoid doing business with the state as they cannot adequately plan ahead financially if they do not receive prompt payment for their services. This hinders competition, as well as the state's ability to complete crucial infrastructure projects.

House Bill 342 expands Maryland's prompt payment statute to apply to suppliers working on state procurement contracts. Under current law, there are protections for contractors and subcontractors in state contracts, as well as suppliers in private contracts; however, the state is not required to promptly compensate suppliers in state contracts. HB 342 will remedy this discrepancy in existing law by adding protections for suppliers on public projects, thereby ensuring that they are protected by the same prompt payment requirements as their counterparts in both the public and private sectors. The bill will ensure not only that these payments are completed equitably between companies, but also support the efficient completion of projects that benefit all Marylanders.

Maryland's contracted suppliers deserve the same treatment under the law as their counterparts. I respectfully request a favorable report on HB342.