

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

Budget & Taxation Committee



THE SENATE OF MARYLAND  
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**Senate Bill 183 – State Procurement – Prompt Payment of Suppliers**

Dear Chairman Guzzone 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 am introducing 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.

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