



# International Brotherhood of Electrical Workers

JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President  
CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • WILLIAM T. NG: Treasurer



## TESTIMONY IN SUPPORT OF HB 451 State and Private Contacts- Prompt Payment Requirements January 29, 2025

TO: Chair Wilson, Vice Chair Crosby and members of the House Economic Committee  
FROM: Tom Clark, Political Director, International Brotherhood of Electrical Workers Local 26

Mr. Chair, Mr. Vice Chair, and distinguished members of the Economic Matters Committee. I ask you to **support HB 451 State and Private Contacts- Prompt Payment Requirements**. A piece of legislation that protects small and minority owned Sub-contractors from unscrupulous General Contractors that delay payment for services rendered for varying reasons or for no specific reason at all.

Under the current scenario, despite having a contract that states when a sub-contractor gets paid, a General Contractor may withhold payment despite signing off on quality work, done on time. This delay in payment may sink an up-and-coming small business into bankruptcy. In some cases, the delay may be due to a separate sub-contractor performing faulty work on a separate contract. (If the cement contractor does faulty work, why should the Plumbing Contractor not get paid). Or a sub-contractor may have several jobs with several contracts, yet a discrepancy on one, may prevent payment on the rest. The General Contractor gets the lion share of the money on construction projects, simply for taking the lion share of the risk. Without HB 451, it is evident that the Subcontractor takes the risk and is at the mercy of the General Contractor whether they get paid on time or at all.

When a general contractor puts a project out to bid, 15 to 20 subcontractors eagerly bid for that contract. Each contract specifically states when payment will be received. Nowhere on that contract does it say, “you may not get paid.” If such language appeared, no one would ever bid on that job. Please note that **HB 451** offers the same protection for General Contractors from greedy owners, as it does the subcontractors from General Contractors: a 9% penalty and a written statement for reasons why the past due bill of services was not paid. It is this protection that will save medium sized, and “mom and pop” shops that Maryland is promised to help.





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I encourage you to ask small construction companies about their dealings with General contractors that fail to pay via the contract signed. HB 451 will not solve all problems, but it will keep many subcontractors afloat and prosperous. 2025 is a budget conscience session in the General Assembly, please note the fiscal effect on the state: **HB 451 has no effect on State Finances or operations.**

Please join with me and the small businesses owners in our great state in full **support of HB 451. Thank you**

