

January 29, 2025

To: Members of the House Economic Matters Committee
Members of the House Health and Government Operations Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: **Support House Bill (HB) 451 - State and Private Construction Contracts - Prompt Payment Requirements**

Independent Electrical Contractors (IEC) Chesapeake represents approximately 200 electrical contractors who employ approximately 15,000 workers in the mid-Atlantic region. In addition, IEC Chesapeake has nearly 1,000 electrical apprentices. IEC Chesapeake supports HB451 requires prompt payment to subcontractors.

On behalf of its members, IEC Chesapeake supports HB451 because failure to secure payment in a timely manner can result in straining the financial viability (perhaps leading to insolvency) of their businesses. IEC Chesapeake's members are electrical contractors who almost exclusively serve as subcontractors on construction projects. IEC Chesapeake appreciates the challenges that general contractors may face in getting paid from the owner of a project; however, IEC Chesapeake members are disproportionately small businesses who will suffer significant economic damages if they do not get paid or get paid late on projects. IEC Chesapeake's members work closely with general contractors on projects.

IEC Chesapeake looks forward to working with this committee and general contractors to address concerns about getting paid promptly

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 301-646-0197 or at gshmelzer@iec-chesapeake.com or Kevin O'Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.