



The Voice of Merit Construction

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MARCH 10, 2025

TO: HEALTH AND GOVERNMENT OPERATIONS COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: H.B. 1166 – STATE FINANCE AND PROCUREMENT –
RETENTION PROCEEDS
POSITION: FAVORABLE WITH AMENDMENTS

The Associated Builders and Contractors of Maryland appreciates the opportunity to opine on H.B. 1166 which is before you today for consideration. The members of ABC believe in the tenets of free enterprise, investing in their workforce and giving back to the communities in which they live, work and play.

H.B. 1166 requires that undisputed retention proceeds on State construction contracts that are retained by a state agency, or a contractor be paid within 90 days after the substantial completion of a project, as defined by the applicable contract or subcontract.

We support the timely payment of retention proceeds as it is essential for the success of construction projects, as it allows contractors and subcontractors to meet their financial obligations, pay their employees promptly, and invest in future projects. Unfortunately, delayed payment of retention proceeds can create significant hardships for construction firms.

With that said, we would like to offer the following amendment(s):

AMENDMENT NO. 1:

On page 1, in lines 3 and 4, strike “or a certain contractor”.

AMENDMENT NO. 2:

On page 2, in lines 21 and 22, strike “**OR A CONTRACTOR**”; and in line 24, strike “**OR SUBCONTRACT**”.

ABC appreciates your consideration and, for these reasons, respectfully requests a favorable with amendments report on H.B. 1166.

Marcus Jackson, Director of
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