



Senator Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West Miller Office Building  
Annapolis, MD 21401

February 24, 2026

**RE: SB 609 – Favorable with Amendments – State Finance and Procurement – Retention Proceeds**

Dear Chair Wells and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 250 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 609 would require that undisputed retention proceeds retained under a State procurement contract by either a state unit or a contractor be paid within 90 days after the date of substantial completion.

While MTBMA supports the intent of SB 609 and believes it represents a positive step toward improving payment practices for contractors on state-funded construction projects, **we respectfully request that contractors be excluded from the bill’s applicability.** It is fundamentally unfair to impose payment obligations on a contractor who has not yet received payment for the work performed. Additionally, Maryland’s existing prompt payment laws already require contractors to remit payment to subcontractors and suppliers within a specified timeframe after receiving payment, making further requirements unnecessary and duplicative.

Thank you,

A handwritten signature in black ink, appearing to read "Michael Sakata".

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association