

February 25, 2026

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

RE: FWA SB 671 - Procurement Contracts and Construction Contracts - Payments

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB671**. MBIA is submitting Favorable with Amendments to this legislation, which would make certain provisions of law governing construction contracts applicable to certain local government owners.

Timely payment provisions and clear notice requirements benefit not only contractors and subcontractors, but also public owners. When expectations are clearly defined in statute, disputes are reduced, project delivery improves, and smaller firms are more willing to compete for public work. Strengthening payment transparency helps promote a stable construction market and ensures that subcontractors and suppliers are not unfairly burdened by delays outside their control. Contractors and subcontractors operate on tight margins and front significant costs, any delayed payments from public entities disrupt payroll, supplier payments, bonding capacity, and project timelines.

This bill promotes transparency and accountability in public construction contracting. By requiring notice when payments are withheld, it ensures that contractors understand the reason for the delay and can address issues promptly. Clear communication reduces disputes, prevents misunderstandings, and keeps projects moving forward.

The legislation also creates greater consistency across public owners. Uniform standards governing payment timelines and interest accrual provide predictability for the construction industry, making it easier for firms to bid confidently on public projects. Increased competition ultimately benefits taxpayers by driving better pricing and higher-quality work.

For these reasons, we respectfully urge an unfavorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee