



Delegate Melissa Wells, Chair
Government, Labor, and Elections Committee
145 Lowe House Office Building
Annapolis, MD 21401

March 6, 2026

RE: HB 1336 – FAVORABLE – Procurement Contracts and Construction Contracts – Payments

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.

House Bill 1336 makes several notable changes to procurement and construction contract law. The bill extends certain statutory provisions governing construction contracts to local government owners, aligning payment and contract administration practices across State and local levels. HB 1336 also alters existing law relating to contractor and subcontractor payments, including requiring notification when all or part of a payment is withheld and modifying how interest accrues on unpaid amounts. These changes promote transparency, fairness, and timely payment practices throughout the construction procurement process.

MTBMA supports HB 1336 because it strengthens contractual protections for contractors and subcontractors, which are fundamental to a healthy construction marketplace. Ensuring that local government is subject to the same payment and interest accrual rules as State agencies creates consistency and predictability for businesses working on public projects. Timely and reliable payment structures are particularly important for small and medium-sized contracting firms that operate on narrow margins and depend on regular payment to meet payroll, purchase materials, and sustain operations.

For these reasons, MTBMA respectfully requests a favorable report on HB 1336.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association