



House Bill 1336

Position: Favorable

Committee: Government, Labor, and Elections

Date: March 6, 2026

Founded in 1968, the Maryland Chamber of Commerce (“Maryland Chamber”) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

House Bill 1336 improves Maryland’s procurement framework while safeguarding the contractors and subcontractors who carry out public work. Reliable, on-time payment is far more than an administrative concern—it is fundamental to sustaining a strong construction industry, uplifting small and minority-owned businesses, and keeping public projects on track and within budget.

In practice, many contractors and subcontractors—especially smaller firms—experience significant financial pressure when payments are delayed or when funds are withheld without clear justification. HB 1336 addresses these challenges by establishing straightforward and enforceable standards, including:

- Requiring prompt payment of all undisputed amounts;
- Requiring written notice with clear and specific explanations when payments are withheld;
- Imposing meaningful interest penalties on late payments; and
- Extending these protections to projects involving local government entities.

Together, these measures promote fairness, transparency, and accountability in public contracting. Prompt payment protections are particularly vital for small businesses that operate on narrow cash-flow margins. **For these reasons, the Maryland Chamber respectfully request a favorable report on HB 1336.**