



ASAB
P.O. Box 43958
Nottingham, MD 21236
(P): 410.344.1470
office@asaofbaltimore.org

March 6, 2026

Legislative Position: Favorable with Amendments
House Bill 1336
Procurement Contracts and Construction Contracts - Payments
House Government, Labor, and Elections Committee

Dear Chair Wells and members of the committee:

Founded in 1967, the American Subcontractors Association of Baltimore (ASAB) promotes the rights and interests of subcontractors in the commercial construction industry. Through advocacy, education, networking, and professional development, ASAB works to advance fair construction practices and a balanced allocation of risk across the industry.

ASA Baltimore represents subcontractors throughout Maryland who perform the specialized work that brings construction projects to completion. Our membership includes both union and non-union contractors, and this initiative is supported across that spectrum. Regardless of labor affiliation, subcontractors operate on tight margins, front significant labor and material costs, and rely on timely payment to sustain their businesses.

HB 1336 strengthens Maryland's prompt payment framework in ways that directly benefit subcontractors. By clarifying payment requirements, expanding protections, and requiring written notice when payment is withheld, including the specific reason and amount, the bill increases transparency and reduces unnecessary disputes. Clear communication allows issues to be addressed quickly and keeps projects on track.

The bill also improves cash flow certainty by mandating interest on late payments that cannot be waived by contract, creating a meaningful incentive for timely payment. Faster payment allows subcontractors to meet payroll, pay suppliers, preserve bonding capacity, and reinvest in workforce development and equipment. Reliable cash flow strengthens small businesses and supports a stable construction workforce across Maryland.

Finally, HB 1336 protects a contractor's right to suspend performance for nonpayment after proper notice. Under current law, subcontractors often have little practical leverage when payment is delayed, and interest alone cannot immediately resolve the immediate financial strain. The bill ensures that subcontractors who suspend work in accordance with the statute are not declared in default. **However, we would like to see HB 1336 amended to reflect this important protection extended to contracts with the State, not just in private contracts.** Adding these protections to the State Finance and Procurement article presents a balanced approach that preserves the ability to dispute legitimate issues while preventing subcontractors from financing projects indefinitely at their own expense. This amendment is also seen as friendly by other supporters of the bill.

President
Casie Pellegrini
Clearsite Industrial

Vice President
Justin Hedinger
Diversified Safety Services

Secretary
Sean Kirwan
Bonding Advisory



ASAB
P.O. Box 43958
Nottingham, MD 21236
(P): 410.344.1470
office@asaofbaltimore.org

For subcontractors, union and non-union alike, timely payment is essential. HB 1336 promotes transparency, fairness, and financial stability in Maryland's construction industry. ASA Baltimore respectfully urges a favorable report with the suggested amendments.

Sincerely,

Warren Quinn
Executive Director
American Subcontractors Association of Baltimore

President
Casie Pellegrini
Clearsite Industrial

Vice President
Justin Hedding
Diversified Safety Services

Secretary
Sean Kirwan
Bonding Advisory