

§ 9-304 of this subtitle, a contractor or subcontractor who does work or furnishes material under a contract shall be entitled to prompt payment under subsection (b) of this section.

(b) (1) If the contract is with an owner, the owner shall:

(i) If the contract does not provide for specific dates or times of payment, pay to the contractor undisputed amounts owed under the terms of the written contract, within the earlier of:

1. 30 days after the day on which the occupancy permit is granted; or

2. 30 days after the day on which the owner or the owner's agent takes possession; or

(ii) If the contract provides for specific dates or times of payment, pay to the contractor undisputed amounts owed within 7 days after the date or time specified in the contract.

(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO ANY CONTRACT BETWEEN THE CONTRACTOR AND:

(I) THE STATE;

(II) A COUNTY;

(III) A MUNICIPAL CORPORATION;

(IV) A BOARD OF EDUCATION; OR

(V) A PUBLIC AUTHORITY OR INSTRUMENTALITY.

[(2)] (3) If the contract is not with an owner, the contractor or subcontractor shall pay undisputed amounts owed to its subcontractors within 7 days after receipt by the contractor or subcontractor of each payment received for its subcontractors' work or materials.

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(a) This subtitle does not:

(1) Affect the rights of contracting parties under Title 9, Subtitle 1 of this article;

(2) Apply to a contract for the construction and sale of a single family residential dwelling;

(3) Apply to any transaction under the Custom Home Protection Act, Title 10, Subtitle 5 of this article; AND

(4) Apply to a home improvement contract by a contractor licensed under Article 56 of the Code; and