

CHAPTER 687

(House Bill 1112)

AN ACT concerning

State Construction Contracts - Prompt Payment of Subcontractors

FOR the purpose of requiring that a contractor pay an undisputed amount to which a subcontractor is entitled under a State procurement contract for construction within a specified time period; declaring the policy of the State as to the prompt payment of subcontractors involved in State construction contracts; requiring a contractor to take certain actions when payment is withheld; authorizing a subcontractor to take certain actions when payment is not received; requiring that a representative of the unit contracting for the construction services, designated by the procurement officer, take certain actions concerning the failure of a contractor to pay subcontractors undisputed amounts; providing for a withholding of progress payments, a hold on payment processing, and suspension of work under certain circumstances due to the failure to pay undisputed amounts; authorizing the imposition of a penalty against a contractor under specified circumstances; granting a contractor and subcontractor the right to appeal certain decisions of the representative to the procurement officer; providing the effect of certain actions, failure to act, and decisions; providing that decisions under this Act are not subject to judicial review or certain procedures under the State procurement law; providing for the application of this Act; defining a certain term; and generally relating to the prompt payment of undisputed amounts owed by contractors to subcontractors under State procurement contracts for construction.

BY adding to

Article - State Finance and Procurement

Section 15-226 to be under the new part "Part IV. Construction Contracts - Prompt Payment of Subcontractors"

Annotated Code of Maryland

(1995 Replacement Volume and 1998 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: