

(B) IF A CONTRACTOR ELECTS TO UTILIZE THE ESCROW ACCOUNT PROCEDURE DESCRIBED IN THIS SECTION, THE CONTRACTOR SHALL INDICATE THE ELECTION IN THE SPACE PROVIDED ON THE PROPOSED DOCUMENTS. IF THE CONTRACTOR FAILS TO INDICATE AN ELECTION OR REFUSES THE ELECTION, THE CONTRACTOR SHALL FORFEIT RIGHTS TO THE USE OF THE ESCROW ACCOUNT.

(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SECTION, AFTER APPROVING THE ESCROW AGREEMENT, THE STATE-AGENCY DEPARTMENT OF TRANSPORTATION SHALL PAY TO THE ESCROW AGENT, AS DEFINED BY THE CONTRACT, THE FUNDS RETAINED.

(2) FUNDS RETAINED WITHHELD FOR LACK OF PROGRESS OR OTHER DEFICIENCIES ON THE PART OF THE CONTRACTOR MAY NOT BE PAID TO THE ESCROW AGENT, AS DEFINED BY THE CONTRACT.

(3) THE ESCROW AGENT, AS DEFINED BY THE CONTRACT, IN ACCORDANCE WITH THE STIPULATIONS CONTAINED IN THE ESCROW AGREEMENT MAY:

(1) ~~1-~~ INVEST THE FUNDS PAID INTO THE ACCOUNT;
AND

2- (11) PAY EARNINGS ON THE INVESTMENTS TO THE CONTRACTOR, ~~OR~~

~~(11) -- IF THE FUNDS ARE FULLY SECURED BY APPROVED SECURITIES, -- RELEASE -- THE -- FUNDS -- TO -- THE -- CONTRACTOR -- FOR -- THE CONTRACTOR'S USE.~~

(D) (1) RETAINED FUNDS INVESTED ~~AND SECURITIES HELD AS COLLATERAL~~ MAY BE RELEASED ONLY AS DIRECTED BY THE STATE-AGENCY DEPARTMENT OF TRANSPORTATION.

~~(2) -- WITHIN -- 90 -- DAYS -- AFTER -- COMPLETION -- OF -- THE -- CONTRACT,~~
(2) AT THE TIME OF FINAL PAYMENT, THE STATE-AGENCY DEPARTMENT OF TRANSPORTATION WILL DIRECT THE ESCROW AGENT, AS DEFINED BY THE CONTRACT, TO SETTLE THE ESCROW ACCOUNT BY PAYING THE FUNDS THEREIN TO THE CONTRACTOR ~~OR THE STATE-AGENCY MONEY DUE, AS DETERMINED BY THE STATE-AGENCY.~~

~~SECTION -- 2. -- AND BE IT FURTHER ENACTED, -- That this Act shall take effect July 1, 1985.~~

SECTION 2. AND BE IT FURTHER ENACTED, That if House Bill 100 of 1985 becomes law, this Act shall be deemed to amend the State Finance and Procurement Article such that references in this Act to Article 21, § 3-1106 under the subtitle "Subtitle 11. Payment of State Obligations" shall be deemed to refer to § 11-136.1 of the State Finance and Procurement Article, under the heading "Part XI. Payment of State Obligations".