

Approved May 9, 1995.

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**CHAPTER 117**

**(Senate Bill 178)**

AN ACT concerning

**Maryland Small Business Development Financing Authority – Surety Bond Program**

FOR the purpose of increasing the maximum monetary limit of certain bonds issued by the Maryland Small Business Development Financing Authority; and generally relating to the Authority's bond program.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 13-234.3(d)

Annotated Code of Maryland

(1992 Replacement Volume and 1994 Supplement)

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

**Article – Financial Institutions**

13-234.3.

(d) (1) The Authority may execute and perform bid, performance, and payment bonds as a surety for the benefit of a principal in connection with any contract, the majority of the funding for which is provided by the federal government or a state government, a local government, or a utility regulated by the Public Service Commission.

(2) The bonds:

(i) May not exceed [\$250,000] \$750,000 each; and

(ii) Shall be subject to the approval of the Authority, based on the bond worthiness of the principal as determined by the Authority on review of an application.

(3) The monetary limit in this subsection does not apply if the sources of funding for the bonds are grants.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1995.

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