

certain amounts; providing that certain retention proceeds may exceed a certain percentage of certain payments if certain contractors reasonably determine that the performance of certain subcontractors provides reasonable grounds for withholding certain amounts; providing that certain retention proceeds may exceed a certain percentage of certain payments if certain subcontractors reasonably determine that the performance of certain other subcontractors provides reasonable grounds for withholding certain amounts; defining a certain term; providing for the construction and application of this Act; and generally relating to construction contracts and retention proceeds.

BY renumbering

Article – Real Property

Section 9–304

to be Section 9–305

Annotated Code of Maryland

(2003 Replacement Volume and 2007 Supplement)

BY adding to

Article – Real Property

Section 9–304

Annotated Code of Maryland

(2003 Replacement Volume and 2007 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 9–304 of Article – Real Property of the Annotated Code of Maryland be renumbered to be Section(s) 9–305.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Real Property

9–304.

(A) IN THIS SECTION, “RETENTION PROCEEDS” MEANS MONEYS EARNED BUT RETAINED UNDER THE TERMS OF A CONTRACT OR SUBCONTRACT:

(1) BY AN OWNER TO GUARANTEE PERFORMANCE OF THE CONTRACT BY A CONTRACTOR;

(2) BY A CONTRACTOR TO GUARANTEE PERFORMANCE OF A SUBCONTRACT BY A SUBCONTRACTOR; OR

(3) BY A SUBCONTRACTOR TO GUARANTEE PERFORMANCE OF A SUBCONTRACT BY ANOTHER SUBCONTRACTOR.