

CHAPTER 255.

AN ACT to repeal and re-enact, with amendments, Section 71H of Article 11 of the Code of Public General Laws of Maryland, entitled "Banks and Trust Companies," sub-title "General Regulations," as enacted by Chapter 46 of the Acts of the General Assembly of 1933, so as to permit the State or any political sub-division or agency thereof, to exercise its rights against any collateral security held for a deposit or other claim.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 71H of Article 11 of the Code of Public General Laws of Maryland, entitled "Banks and Trust Companies," sub-title "General Regulations," as enacted by Chapter 46 of the Acts of the General Assembly of 1933, be, and the same is hereby repealed and re-enacted, with amendments, so as to read as follows:

71H. No suspension of remedies or extension of time for payment and no other provision affecting deposits of, or obligations to the State or any political sub-division or agency thereof, which are secured by a surety bond, shall be effective unless and until such surety shall have executed an agreement in writing in form and terms satisfactory to the official authorized to accept and/or approve depository bonds for the State, such sub-division or agency, as the case may be, providing that such suspension, extension and/or other provisions shall not release or impair the obligation of such surety, and providing further that such obligation shall be enforceable only on demand made after default occurring upon or after the extended date of such obligation, as fully as upon default at the time originally provided. Upon the filing of such agreement by the surety all liability of such surety as to future deposits of the State, or any political sub-division or agency thereof, as the case may be, shall cease.

Provided, further, that the holder of a surety bond guaranteeing deposits in any banking institution in this State, including, but not limited to, deposits or obligations due to the State or any political sub-division or agency thereof, shall not demand of or be entitled to receive from the surety or sureties thereof, payment of such bond at a rate faster than the deposit guaranteed thereby shall be payable by such banking institution, but the holder of such surety bond shall be entitled to demand and receive from