

CHAPTER 10

(Senate Bill 4)

AN ACT to repeal Section 11 of Article 90 of the Annotated Code of Maryland (1957 Edition), title "Sureties", sub-title "Bonds to State to Protect Sub-contractors", and to enact a new Section 11 in lieu thereof to stand in the place and stead of the section so repealed, generally revising the laws concerning contract performance bonds to protect contractors and subcontractors; to require the giving of performance and payment bonds by contractors awarded contracts in excess of five thousand dollars (\$5,000) by the State of Maryland or by any county, municipal corporation, board of education or other political subdivision, public authority or public instrumentality in this State or any officer, board, commission or agency of any of the foregoing, for the construction, alteration or repair of any public building or for any public work or improvement.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Section 11 of Article 90 of the Annotated Code of Maryland (1957 Edition), title "Sureties", sub-title "Bonds to State to Protect Subcontractors", be and it is hereby repealed, and that a new Section 11 be and it is hereby enacted in lieu thereof to stand in the place and stead of the section so repealed, and to read as follows:*

11.

(a) Before any contract, exceeding five thousand dollars (\$5,000) in amount, for the construction, alteration, or repair of any public building or public work or improvement of the State of Maryland, or of any county, city, municipal corporation, town, board of education or other political subdivision, public authority, or public instrumentality, or any officer, board, commission, or agency of any of the foregoing, is awarded to any person, he shall furnish to the State of Maryland, or to such county, city, municipal corporation, town, or other political subdivision, public authority, or public instrumentality, or to such officer, board, commission, or agency thereof, the following bonds which shall become binding upon the award of the contract to such person, who is hereinafter designated as "contractor":

(1) A performance bond executed by a surety company authorized to do business in this State satisfactory to the public body awarding the contract, and in such amount as it shall deem adequate, for the protection of the public body.

(2) A payment bond ~~executed~~ EXECUTED by a surety company authorized to do business in this State satisfactory to the public body for the protection of all persons supplying labor and materials to the contractor or his subcontractor in the prosecution of the work provided for in the contract for the use of each such person. The bond

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.