

9-112. *Protection of materialmen and subcontractors on State projects—“Little Miller Act.”*

(a) *Payment and Performance Bonds.*

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 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, including lessors of equipment to the extent of the fair rental value thereof, 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 shall be in the amount not less than fifty per centum (50%) of the total amount payable by the terms of the contract. Any contractor covered by such a bond shall not be required to furnish a waiver of mechanics’ liens to the State. Any contractor prior to receiving a progress or final payment under a contract covered hereunder shall certify in writing that he has made payment from proceeds of prior payments, and that he will make timely payments from the proceeds of the progress or final payment then due him, to his subcontractors and suppliers in accordance with his contractual arrangements with them.*

(b) *Authority to require additional bonds.*

Nothing in this section shall be construed to limit the authority of the State of Maryland or other public body hereinabove mentioned to require a performance bond or other security in addition to those, or in cases other than the cases specified in subsection (a) of this section.

(c) *Suits on payment bonds—Right to institute.*

Every person who has furnished labor or material in the prosecution of the work provided for in such contract, in respect of which a payment bond is furnished under this section and who has not been paid in full therefor before the expiration of a period of ninety days after the day on which the last of the labor was done or performed by him or material was furnished or supplied by him for which such claim is made, shall have the right to sue on the payment bond for the amount, or the balance thereof, unpaid at the time of institution of such suit and to prosecute said action to final