MARYLAND, That Section 9 of Article 90 – Sureties, of the Annotated Code of Maryland (1969 Replacement Volume and 1974 Supplement) be and it is hereby repealed and re-enacted, with amendments, to read as follows:

Article 90 – Sureties

9.

When the surety or sureties on the bond of any bank or trust company used as a depository for the funds of the State Treasurer shall notify the Governor and the State Treasurer of their or its desire to be relieved from further liability as such surety, as provided in § 8 of this article, or when any new bond shall be given by any bank or trust company, that may be used as a depository for the funds of the State by the State Treasurer, the State Treasurer, may in his discretion accept from such bank or trust company, its bond, conditioned, as provided by law, and, as surety collateral to the said bond, instead of the surety heretofore provided by law, bonds or other securities of the United States, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Land Bank or of the State of Maryland or the State Roads Commission of Maryland at not exceeding 90% of their par value or bonds of Baltimore City OR THE WASHINGTON SUBURBAN SANITARY DISTRICT or of any county or municipal corporation of this State, at not exceeding 80% of their par value which may be approved by the State Treasurer to the amount, in value, of the penalty of the bond, and said amount shall be at all times maintained by said bank or trust company; which bonds must be registered in the name of said Treasurer, officially, as held in trust under and pursuant to this section and the same shall be held by such Treasurer in trust to secure the performance of the conditions of the said bond; provided, however, said Treasurer may, in his discretion, accept as surety collateral any of said bonds in unregistered form upon such conditions as he may prescribe with respect thereto. Any such bank or trust company that may heretofore have given the bond, as heretofore provided by law, may at any time secure the cancellation of said bond and the substitution of a bond with such securities as are hereinbefore provided for, and any such bank or trust company may at any time, withdraw from the State Treasurer such collateral securities with the bond to which the securities are attached and file, in lieu thereof, such bonds as have heretofore been accepted by the State Treasurer; provided that no substitution of the bond with collateral or a bond with other securities for the bond with collateral shall be made oftener than once in each twelve months, or as the Treasurer may, in his discretion, prescribe.