

of Maryland (1975 Replacement Volume and 1976 Supplement) to read as follows:

~~Article 77 -- Public Education~~

6.

~~(F) THE BOARD MAY REQUIRE A PERFORMANCE BOND TO BE FILED BY ANY INSTITUTION WHICH IS REQUIRED TO OBTAIN A CERTIFICATE OF APPROVAL UNDER § 11. THE STATE SUPERINTENDENT SHALL DETERMINE THE FORM AND AMOUNT OF THE BOND. THE BOND SHALL BE CONDITIONED UPON (1) THE FAITHFUL PERFORMANCE OF ALL AGREEMENTS OR CONTRACTS MADE BY THE INSTITUTION WITH ITS STUDENTS AND (2) THE INSTITUTION'S COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE. THE AGGREGATE LIABILITY OF A SURETY FOR ALL BREACHES OF THE CONDITIONS OF THE BOND SHALL NOT EXCEED THE AMOUNT OF THE BOND, REGARDLESS OF THE NUMBER OR AMOUNT OF CLAIMS FILED, AND IF THE LATTER SHOULD EXCEED THE AMOUNT OF THE BOND, THE SURETY SHALL PAY THE AMOUNT OF THE BOND TO THE SUPERINTENDENT FOR DISTRIBUTION TO CLAIMANTS AND SHALL BE RELIEVED OF ALL LIABILITY UNDER ITS BOND.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That new Section 32(h) be and it is hereby added to Article 77A -- Higher Education, of the Annotated Code of Maryland (1975 Replacement Volume and 1976 Supplement) to read as follows:~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 32 (h) be and it is hereby added to Article 77A -- Higher Education, of the Annotated Code of Maryland (1975 Replacement Volume and 1976 Supplement) to read as follows:

Article 77A - Higher Education

32.

(H) THE BOARD MAY REQUIRE A PERFORMANCE BOND TO BE FILED BY ANY INSTITUTION WHICH IS REQUIRED TO OBTAIN A CERTIFICATE OF APPROVAL UNDER § 32A. THE COMMISSIONER SHALL DETERMINE THE FORM AND AMOUNT OF THE BOND. THE BOND SHALL BE CONDITIONED UPON (1) THE FAITHFUL PERFORMANCE OF ALL AGREEMENTS OR CONTRACTS MADE BY THE INSTITUTION WITH ITS STUDENTS AND (2) THE INSTITUTION'S COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE. THE AGGREGATE LIABILITY OF A SURETY FOR ALL BREACHES OF THE CONDITIONS OF THE BOND SHALL NOT EXCEED THE AMOUNT OF THE BOND, REGARDLESS OF THE NUMBER OR AMOUNT OF CLAIMS FILED, AND IF THE LATTER SHOULD EXCEED THE AMOUNT OF THE BOND, THE SURETY SHALL PAY THE AMOUNT OF THE BOND TO THE COMMISSIONER FOR DISTRIBUTION TO CLAIMANTS AND SHALL BE RELIEVED OF ALL LIABILITY UNDER ITS BOND.

SECTION 3 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1977.