

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July 17, 1980~~ January 1, 1981.

Approved May 6, 1980.

CHAPTER 289

(Senate Bill 194)

AN ACT concerning

Home Improvement Loans - Letters of Credit

FOR the purpose of permitting applicants for a contractor's license to file a an irrevocable letter of credit in a certain amount as evidence of financial security with the Maryland Home Improvement Commission.

BY repealing and reenacting, with amendments,

Article 56 - Licenses
Section 257(c)
Annotated Code of Maryland
(1972 Replacement Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 56 - Licenses

257.

(c) An applicant for a contractor's license shall file with the Commission a cash, surety, or property bond OR A AN IRREVOCABLE LETTER OF CREDIT in the amount of \$5,000 or evidence of financial responsibility satisfactory to the Commission for the benefit of any person who is damaged because of the breach of the home improvement contract. The bond may not be construed to require any surety to be responsible for the completion of a home improvement contract entered into by the principal on the bond. The liability of the surety under any bond may not exceed in the aggregate the amount of the bond, regardless of the number or amount of claims filed, and if the latter should exceed the amount, the surety shall pay the \$5,000 to the Home Improvement Commission for distribution to claimants and shall be relieved of all liability under its bond. Claims shall be paid in the order of filing.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1980.