

11-210.

(b) The sales and use tax does not apply to a sale of:

(1) tangible personal property used directly and predominantly in a production activity at any stage of operation on the production activity site from the handling of raw material or components to the movement of the finished product, if the tangible personal property is not installed so that it becomes real property;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2006.

May 26, 2006

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed Senate Bill 391 – *Procurement – Security Requirements*.

This bill increases the maximum amount of the bonds that the Maryland Small Business Development Financing Authority may issue as a surety for the benefit of a principal in connection with specified contracts; and expands bid, payment, and performance security to include a bond provided or executed by an individual surety if the individual surety provides a security interest in specified assets at the time the bond is furnished and the individual surety pledges specified assets in a specified amount.

House Bill 169, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 391.

Very truly yours,
Robert L. Ehrlich, Jr.
Governor

Senate Bill No. 391

AN ACT concerning

Procurement – Security Requirements – ~~Individual Surety~~

FOR the purpose of increasing the maximum amount of the bonds that the Maryland Small Business Development Financing Authority may issue as a surety for the benefit of a principal in connection with certain contracts; expanding bid, payment, and performance security to include a bond provided or executed by an individual surety if the individual surety provides a security interest in certain assets at the time the bond is furnished and the individual surety pledges