

CHAPTER 678

(House Bill 1117)

AN ACT concerning

Procurement Law - Construction Contract Disputes

FOR the purpose of establishing a procedure for the resolution of disputes relating to certain claims arising out of construction contracts; specifying certain time limits; providing for the placement of retainage in a certain escrow account; providing for the payment of interest on retainage; providing for a certain contingency; and generally relating to the resolution of certain contract disputes.

BY adding toArticle 21 - ProcurementSection 7-101 to be under the new subtitle "Subtitle 1.
Escrow Accounts"Annotated Code of Maryland(1981 Replacement Volume and 1984 Supplement)

BY repealing and reenacting, with amendments,

Article 21 - Procurement

Section 7-201

Annotated Code of Maryland

(1981 Replacement Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 21 - Procurement

SUBTITLE 1. ESCROW ACCOUNTS7-101.

WHETHER OR NOT ANY CLAIM EXISTS, WHEN THE PROCUREMENT AGENCY PAYS A SEMIFINAL ESTIMATE, THE PROCUREMENT AGENCY SHALL PLACE ANY RETAINAGE REMAINING IN AN INTEREST BEARING ESCROW ACCOUNT.

7-201.

(a) Upon timely demand, as defined in regulations promulgated by the Department, by a prospective bidder or offeror, bidder or offeror, or contractor, the responsible procurement officer of the using agency may, consistent with the budget and all applicable laws and regulations, negotiate and resolve disputes relating to the formation of a contract with the