

AND 17-107 OF THIS SUBTITLE WITH RESPECT TO ANY CONSTRUCTION CONTRACT:

(1) THAT DOES NOT EXCEED \$100,000; AND

(2) FOR WHICH STATE MONEY IS NOT USED.

REVISOR'S NOTE: Subsection (a) of this section is new language derived without substantive change from former SF § 12-201(b).

Subsection (b) of this section is new language added to state expressly the applicability of this subtitle to construction contracts.

Subsection (c) of this section is new language derived without substantive change from former SF § 12-201(h).

Defined terms: "Construction" § 11-101

"Performance security" § 17-101

"Public body" § 17-101

17-103. SECURITY ON CONSTRUCTION CONTRACTS.

(A) CONTRACTS EXCEEDING \$50,000.

(1) BEFORE A PUBLIC BODY AWARDS A CONSTRUCTION CONTRACT EXCEEDING \$50,000, THE CONTRACTOR SHALL PROVIDE PAYMENT SECURITY AND PERFORMANCE SECURITY THAT MEET THE REQUIREMENTS OF § 17-104 OF THIS SUBTITLE.

(2) THE SECURITY SHALL BE:

(I) FOR PERFORMANCE SECURITY, IN AN AMOUNT THAT THE PUBLIC BODY CONSIDERS ADEQUATE FOR ITS PROTECTION; AND

(II) FOR PAYMENT SECURITY, AT LEAST 50% OF THE TOTAL AMOUNT PAYABLE UNDER THE CONTRACT.

(B) CONTRACTS EXCEEDING \$25,000 BUT NOT EXCEEDING \$50,000.

A PUBLIC BODY, OTHER THAN THE STATE OR A UNIT OF THE STATE GOVERNMENT, MAY REQUIRE PAYMENT SECURITY OR PERFORMANCE SECURITY FOR A CONSTRUCTION CONTRACT IF:

(1) THE CONTRACT EXCEEDS \$25,000 BUT DOES NOT EXCEED \$50,000; AND

(2) THE AMOUNT OF THE SECURITY DOES NOT EXCEED 50% OF THE CONTRACT AMOUNT.