

## CHAPTER 715

(House Bill 1024)

## AN ACT concerning

Maryland Small Business Development Financing Authority -  
Surety Bond Guaranty Fund

FOR the purpose of providing that surety bonds for contracts for certain projects financed by utilities regulated by the Public Service Commission may be guaranteed by the Surety Bond Guaranty Fund under certain circumstances; providing certain restrictions on guaranties financed by the Surety Bond Guaranty Fund; clarifying the term "government"; and generally relating to the Surety Bond Guaranty Fund financial assistance program.

BY repealing and reenacting, with amendments,

Article - Financial Institutions  
Section 13-234.3 and 13-234.6  
Annotated Code of Maryland  
(1986 Replacement Volume and 1987 Supplement)

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

## Article - Financial Institutions

## 13-234.3.

(a) Subject to the restrictions of this Part VI, the Authority, on application, may guarantee any surety up to 90 percent of its losses incurred under a bid bond, a payment bond, or a performance bond of not more than \$1,000,000 for each bond on any [government] contract WITH THE FEDERAL OR STATE OR A LOCAL GOVERNMENT OR A UTILITY REGULATED BY THE PUBLIC SERVICE COMMISSION.

(b) The term of a guaranty under this Part VI may not exceed the contract term.

(c) The Authority may vary the terms and conditions of the guaranty from surety to surety, based upon the Authority's history of experience with that surety and upon any other factor that the Authority considers relevant.