

(1986 Replacement Volume and 1988 Supplement)

BY repealing and reenacting, without amendments,

Article - Financial Institutions  
Section 13-234.3(a)  
Annotated Code of Maryland  
(1986 Replacement Volume and 1988 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.

(c) (1) "Contract term" means the term of the government contract [including the maintenance or warranty period of up to 2 years from the date on which final payment under the contract is due].

(2) "CONTRACT TERM" INCLUDES:

(I) THE MAINTENANCE OR WARRANTY PERIOD REQUIRED BY THE CONTRACT; AND

(II) THE PERIOD DURING WHICH THE SURETY MAY BE LIABLE FOR LATENT DEFECTS.

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 contract with the federal or State or a local government or a utility regulated by the Public Service Commission.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989.

Approved May 25, 1989.

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