

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 15-108 and 15-226

Annotated Code of Maryland

(1995 Replacement Volume and 1999 Supplement)

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

Article - State Finance and Procurement

13-225.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "PAYMENT SECURITY" HAS THE MEANING STATED IN § 17-101 OF THIS ARTICLE.

(3) "PERFORMANCE SECURITY" HAS THE MEANING STATED IN § 17-101 OF THIS ARTICLE.

(B) (1) ~~A CONSTRUCTION CONTRACT THAT REQUIRES A PRIMARY PROCUREMENT UNIT TO MAKE PROGRESS PAYMENTS SHALL MEET THE REQUIREMENTS OF THIS SUBSECTION.~~

~~(2) PROGRESS PAYMENTS:~~

~~(H) SHALL BE MADE AT LEAST EVERY MONTH; AND~~

~~(H) MAY BE MADE MORE FREQUENTLY IF STIPULATED IN THE CONTRACT.~~

~~(3) IF A CONTRACTOR HAS FURNISHED 100% PAYMENT SECURITY OR AND 100% PERFORMANCE SECURITY IN ACCORDANCE WITH TITLE 17, SUBTITLE 1, OF THIS ARTICLE UNDER A STATE PROCUREMENT CONTRACT FOR CONSTRUCTION, THE AMOUNT RETAINED BY THE PRIMARY PROCUREMENT UNIT FROM EACH PROGRESS PAYMENT PERCENTAGE SPECIFIED IN THE CONTRACT FOR RETAINAGE MAY NOT EXCEED 5% OF THE TOTAL AMOUNT OF EACH PROGRESS PAYMENT.~~

~~(2) IN ADDITION TO RETAINAGE, A PRIMARY PROCUREMENT UNIT MAY WITHHOLD FROM PAYMENTS OTHERWISE DUE A CONTRACTOR ANY AMOUNT THAT THE UNIT REASONABLY BELIEVES NECESSARY TO PROTECT THE STATE'S INTEREST.~~

~~(4) (3) AMOUNTS RETAINED RETAINAGE WITHHELD BY A PRIMARY PROCUREMENT UNIT UNDER PARAGRAPH (3) OF THIS SUBSECTION, SHALL MAY BE DEPOSITED IN AN INTEREST-BEARING ESCROW ACCOUNT IN ACCORDANCE WITH § 15-108 OF THIS ARTICLE.~~

~~(5) WITHIN 30 DAYS OF FINAL ACCEPTANCE BY THE PRIMARY PROCUREMENT UNIT OF THE WORK REQUIRED UNDER THE CONSTRUCTION CONTRACT, THE PRIMARY PROCUREMENT UNIT SHALL PAY THE CONTRACTOR THE~~