

Sincerely,
Robert L. Ehrlich, Jr.
Governor

Senate Bill No. 591

AN ACT concerning

Procurement - Security for Construction Contracts - Retainage

FOR the purpose of limiting the retainage that may be specified in a construction contract awarded by a public body under certain circumstances; authorizing a public body to withhold payments in addition to retainage under certain circumstances; requiring a public body to release certain retainage and interest to a contractor within a certain number of days of after either the completion of the contract or the resolution of a certain dispute or contract claim; limiting the amount that a contractor may withhold from a subcontractor or that a subcontractor may withhold from a lower tier subcontractor under a construction contract awarded by a public body under certain circumstances; providing for certain exceptions to the limitations on withholding; ~~providing for the availability of escrow for retainage in construction contracts awarded by a public body; requiring that interest on money placed in escrow be handled in a certain manner; restricting the availability of escrow in certain circumstances; requiring the escrow agent to follow the directions of the contractor in relation to the investment of retainage being held by the escrow agent;~~ providing for the application and construction of this Act; and generally relating to construction contracts awarded by a public body.

BY renumbering

Article - State Finance and Procurement

Section 17-110

to be Section ~~17-112~~ 17-111

Annotated Code of Maryland

(2001 Replacement Volume and 2002 Supplement)

BY adding to

Article - State Finance and Procurement

Section 17-110 ~~and 17-111~~

Annotated Code of Maryland

(2001 Replacement Volume and 2002 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 17-110 of Article - State Finance and Procurement of the Annotated Code of Maryland be renumbered to be Section(s) ~~17-112~~ 17-111.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows: