

~~(1) FEDERAL MONEY IS INVOLVED AND APPLICATION OF THIS SECTION WOULD JEOPARDIZE TIMELY RECOVERY OF THAT FEDERAL MONEY; OR~~

~~(2) RETAINAGE IS WITHHELD FOR:~~

~~(I) LACK OF PROGRESS ON THE PART OF THE CONTRACTOR; OR~~

~~(II) OTHER VIOLATIONS BY THE CONTRACTOR.~~

~~(E) IN ACCORDANCE WITH THE ESCROW AGREEMENT, A CONTRACTOR MAY REQUIRE AN ESCROW AGENT:~~

~~(1) TO INVEST THE RETAINAGE PLACED IN THE ESCROW ACCOUNT; AND~~

~~(2) TO THE EXTENT THE CONTRACTOR IS ENTITLED TO RETAINAGE UNDER SUBSECTION (F)(2)(II) OF THIS SECTION, TO PAY THE EARNINGS ON THE INVESTMENT TO THE CONTRACTOR.~~

~~(F) (1) RETAINAGE MAY BE RELEASED TO THE CONTRACTOR ONLY AS DIRECTED BY THE PUBLIC BODY.~~

~~(2) AT THE TIME OF FINAL PAYMENT, THE PUBLIC BODY SHALL DIRECT THE ESCROW AGENT TO SETTLE THE ESCROW ACCOUNT BY DISTRIBUTING MONEY IN THE ESCROW ACCOUNT IN THE FOLLOWING ORDER:~~

~~(I) TO THE PUBLIC BODY FOR ANY CLAIM IT MAY HAVE AGAINST THE CONTRACTOR UNDER THE PROCUREMENT CONTRACT; AND~~

~~(II) TO THE CONTRACTOR.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contracts entered into before the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2003.

May 22, 2003

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed Senate Bill 600 – Life Insurers – Board of Directors – Investments Practices.

This bill repeals a provision of law related to investment and loan practices of life insurers; requires the board of directors of a life insurer to adopt a specified plan for acquiring and holding investments and engaging in investment practices; and