CHAPTER 563

(House Bill 792)

AN ACT concerning

Maryland Small Business Development Financing Authority – Small Business Surety Bond Program

FOR the purpose of authorizing the Maryland Small Business Development Financing Authority to execute and perform certain surety bonds under certain circumstances; repealing certain restrictions on a principal's ability to obtain a guaranty from the Authority; altering the names of the Small Business Surety Bond Guaranty Fund and the Small Business Surety Bond Guaranty Program; providing for the effective date of this Act; and generally relating to the Small Business Surety Bond Guaranty Program.

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 13–234, 13–234.2, 13–234.3, 13–234.5, and 13–234.6
Annotated Code of Maryland
(1986 Replacement Volume and 1991 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.

(a) In Part VI of this subtitle the following words have the meanings indicated.

(b) "Authority" means the Maryland Small Business Development Financing Authority.

(c) (1) "Contract term" means the term of the contract.

(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.

(d) "Fund" means the Small Business Surety Bond [Guaranty] Fund.

(e) "Principal" means a small business entity that has assets, income or employees that do not exceed limits established by the Authority pursuant to regulation or administrative determination.

(f) "Program" means the Small Business Surety Bond [Guaranty] Program created by Part VI of this subtitle.