

(IV) AN IRREVOCABLE LETTER OF CREDIT FROM A FINANCIAL INSTITUTION ACCEPTABLE TO THE WSSC AND IN A FORM ACCEPTABLE TO THE WSSC;

(V) A BOND EXECUTED BY A SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OF MARYLAND; OR

(VI) ANOTHER FORM OF SECURITY ACCEPTABLE TO THE WSSC.

(3) (I) A UTILITY CONTRACTOR, SUBCONTRACTOR, OR SUPPLIER PROVIDING LABOR, MATERIALS, OR EQUIPMENT FOR THE CONSTRUCTION OF THE SUBDIVISION LINE, THAT HAS NOT BEEN PAID, MAY FILE A CLAIM AGAINST THE PAYMENT SECURITY WITHIN 180 DAYS AFTER COMPLETION OF CONSTRUCTION OF THE SUBDIVISION LINES (THE "CLAIM NOTICE DATE"), UNDER THE PROCEDURE REQUIRED IN THE PAYMENT SECURITY. IF NO PROCEDURE IS SPECIFIED IN THE PAYMENT SECURITY, THE PROCEDURE SHALL BE THAT ESTABLISHED BY RULES AND REGULATIONS ADOPTED BY THE WSSC.

(II) UNTIL ALL CLAIMANTS HAVE BEEN PAID, OR THE CLAIM NOTICE DATE HAS PASSED AND NO CLAIMS HAVE BEEN MADE, THE WSSC MAY NOT RELEASE OR REDUCE THE AMOUNT OF THE PAYMENT SECURITY.

(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE PROVISIONS OF THIS SECTION MAY NOT APPLY TO:

(1) AUTHORIZATIONS FOR SERVICE FOR WHICH:

(I) APPLICATION IS MADE WITH THE WSSC ON OR BEFORE JUNE 30, 1999; AND

(II) THE WSSC ENTERS INTO A CONTRACT FOR CONSTRUCTION OF SUBDIVISION LINES WITH NOTICE TO PROCEED ISSUED BY THE WSSC TO ITS CONTRACTOR ON OR BEFORE JUNE 30, 2001; OR

(2) AUTHORIZATIONS FOR SERVICE FOR THE RELIEF OF HEALTH HAZARDS.

(E) EACH PART OF A MULTIPART AUTHORIZATION FOR SERVICE SHALL BE CONSIDERED A SEPARATE AUTHORIZATION UNDER SUBSECTION (D) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

Approved May 12, 1998.