

This bill increases from \$50,000 to \$100,000 the amount of a construction contract for which payment and performance security is required. The bill also increases from \$100,000 to \$200,000 the maximum amount of a construction contract not involving State money where Baltimore City has the discretion to determine security requirements.

Senate Bill 675, which was passed by the General Assembly and signed by me on May 21, 1998, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 1117.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 1117

AN ACT concerning

Procurement - Security for Construction Contracts

FOR the purpose of altering the threshold dollar amount in a requirement that contractors provide payment security and performance security under certain construction contracts awarded by certain public bodies; altering the threshold dollar amount in a provision authorizing Baltimore City to adopt a program to satisfy certain bonding requirements; requiring that the program provide for a certain minimum level of payment security; and generally relating to required security for construction contracts under the Procurement Law.

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 17-102 and 17-103

Annotated Code of Maryland

(1995 Replacement Volume and 1997 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

17-102.

(a) This subtitle does not limit the authority of a public body to require performance security in addition to, or in cases other than, those specified under §§ 17-103, 17-104, 17-106, and 17-107 of this subtitle.

(b) This subtitle applies only to security for a construction contract.

(c) (1) By ordinance, Baltimore City may provide for a program to satisfy the bonding requirements under §§ 17-103, 17-104, 17-106, and 17-107 of this subtitle with respect to any construction contract: