

---

**By: Chairman, Commerce and Government Matters Committee (Departmental -  
General Services)**

Introduced and read first time: January 15, 1997

Assigned to: Commerce and Government Matters

---

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Security on Construction Contracts**

3 FOR the purpose of allowing a pledge of real property located in the State to be accepted  
4 as certain security on a construction contract in lieu of a certain bond or cash under  
5 certain circumstances; and generally relating to security on construction contracts  
6 under the State Procurement Law.

7 BY repealing and reenacting, with amendments,  
8 Article - State Finance and Procurement  
9 Section 17-104  
10 Annotated Code of Maryland  
11 (1995 Replacement Volume and 1996 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - State Finance and Procurement**

15 17-104.

16 Payment security or performance security required under this subtitle shall be:

17 (1) a bond executed by a surety company authorized to do business in the  
18 State;

19 (2) cash in an amount equivalent to a bond; or

20 (3) other security [that], INCLUDING A PLEDGE OF REAL PROPERTY  
21 LOCATED IN THE STATE WHICH SHALL BECOME A LIEN, PROVIDED THAT THE  
22 SECURITY is satisfactory to the public body awarding the contract.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 1997.