

BY: Commerce and Government Matters Committee

AMENDMENTS TO HOUSE BILL NO. 824

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “(WSSC);” insert “requiring certain property owners and developers to provide certain security; authorizing certain contractors, subcontractors, and suppliers to file a certain claim;”.

AMENDMENT NO. 2

On page 2, after line 13, insert:

“(6) “PAYMENT SECURITY” MEANS SECURITY TO GUARANTEE PAYMENT TO THE UTILITY CONTRACTOR, SUBCONTRACTORS, AND SUPPLIERS THAT PROVIDE LABOR, MATERIALS, OR CONSTRUCTION EQUIPMENT FOR THE CONSTRUCTION OF SUBDIVISION LINES.

(7) “PERFORMANCE SECURITY” MEANS SECURITY TO GUARANTEE COMPLETION OF THE CONSTRUCTION OF SUBDIVISION LINES.”.

AMENDMENT NO. 3

On page 2, in line 18, after “(C)” insert “(1)”; in lines 20, 22, and 25, strike “(1)”, “(2)”, and “(3)”, respectively, and substitute “(I)”, “(II)”, and “(III)”, respectively; in line 24, strike “AND”; and in line 26, after “SERVICE” insert “;

(IV) REQUIRING THE PROPERTY OWNER OR DEVELOPER TO PROVIDE:

1. PERFORMANCE SECURITY PAYABLE TO THE WSSC, IN AN AMOUNT ACCEPTABLE TO THE WSSC, TAKING INTO ACCOUNT POTENTIAL COST

(Over)

ESCALATION; AND

2. PAYMENT SECURITY PAYABLE TO THE WSSC FOR THE BENEFIT OF THE UTILITY CONTRACTOR, SUBCONTRACTORS, AND SUPPLIERS PROVIDING LABOR, MATERIALS, OR CONSTRUCTION EQUIPMENT FOR THE CONSTRUCTION OF THE SUBDIVISION LINES IN AN AMOUNT EQUAL TO THE AMOUNT OF THE PERFORMANCE SECURITY; AND

(V) PROVIDING THAT BEFORE THE SUBDIVISION LINES ARE PLACED IN SERVICE, THE PROPERTY OWNER OR DEVELOPER SHALL PROVIDE THE WSSC WITH A RELEASE OF LIENS, ON A FORM ACCEPTABLE TO THE WSSC, SIGNED BY THE UTILITY CONTRACTOR AND NOTARIZED, STATING THAT THE UTILITY CONTRACTOR, AND ALL SUBCONTRACTORS AND SUPPLIERS, HAVE BEEN PAID.

(2) AN ACCEPTABLE FORM OF PERFORMANCE SECURITY AND PAYMENT SECURITY UNDER THIS SUBSECTION SHALL BE:

(I) A CERTIFIED CHECK;

(II) A CASH DEPOSIT;

(III) A CERTIFICATE OF DEPOSIT;

(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”.