

SENATE BILL 453

C8

5lr2156

By: **Senators Guzzone and Middleton**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2015

CHAPTER _____

1 AN ACT concerning

2 **Public-Private Partnership Agreements – Performance Security –**
3 **Requirements**

4 FOR the purpose of altering the requirement that a public-private partnership agreement
5 include, under certain circumstances, a certain provision regarding performance and
6 payment security to require that ~~requirements for performance security for~~
7 ~~construction contracts be in accordance with certain provisions of law~~ the amount of
8 any performance security in a certain form for certain contracts be based on the value
9 of certain construction elements of a public-private partnership agreement and not
10 on the total value of the agreement; making a conforming change clarifying changes;
11 and generally relating to performance security in public-private partnership
12 agreements.

13 BY repealing and reenacting, with amendments,
14 Article – State Finance and Procurement
15 Section 10A-401(a)(12)
16 Annotated Code of Maryland
17 (2009 Replacement Volume and 2014 Supplement)

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

20 **Article – State Finance and Procurement**

21 10A-401.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) Whenever applicable, a public-private partnership agreement shall include
2 the following provisions:

3 (12) requirements for the private entity to provide performance and
4 payment security in a form and in an amount determined by the responsible public entity,
5 except that:

6 (I) requirements for the ~~PERFORMANCE AND~~ payment security for
7 construction contracts shall be in accordance with Title 17, Subtitle 1 of this article,
8 ~~including; AND~~

9 (II) the ~~requirement that PERFORMANCE AND AMOUNT OF~~
10 payment security AND ANY PERFORMANCE SECURITY IN THE FORM OF A
11 PERFORMANCE BOND FOR CONSTRUCTION CONTRACTS shall be established BASED on
12 the value of the RESPECTIVE construction elements of the public-private partnership
13 agreement and not on the total value of the public-private partnership agreement.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.