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

Introduced and read first time: February 9, 1996

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement Law - Security on Construction Contracts**

3 FOR the purpose of permitting a pledge of unencumbered real property located in
4 Maryland to be accepted as construction contract security in lieu of a surety bond;
5 and generally relating to security on construction contracts under the State
6 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 1995 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) A PLEDGE OF THE UNENCUMBERED PORTION OF REAL PROPERTY
21 LOCATED IN MARYLAND WHICH SHALL BECOME A TAX LIEN; OR

22 [(3)] (4) other security that is satisfactory to the public body awarding the
23 contract.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 1996.