

BY: Commerce and Government Matters Committee

AMENDMENTS TO HOUSE BILL NO. 162

(First Reading File Bill)

AMENDMENT NO. 1

In line 3, strike “a pledge of”; in line 5, after “circumstances;” insert “capping the amount of an acceptable mortgage or deed of trust based on the contractor’s equity interest; requiring a mortgage or deed of trust above a specified value to be recorded;”; and in line 6, strike “State Procurement Law” and substitute “Maryland Little Miller Act”.

AMENDMENT NO. 2

In line 16, before “Payment” insert “(A)”; in line 20, strike the opening bracket; strike beginning with the closing bracket in line 20 down through “SECURITY” in line 22; and after line 22, insert:

“(B) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, PERFORMANCE SECURITY MAY INCLUDE THE GRANTING OF A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY LOCATED WITHIN THE STATE IF SUCH SECURITY IS SATISFACTORY TO THE PUBLIC BODY AWARDING THE CONTRACT.

(2) THE FACE AMOUNT OF A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY GRANTED AS SECURITY UNDER THIS SUBSECTION MAY NOT EXCEED 75% OF THE CONTRACTOR’S EQUITY INTEREST IN THE PROPERTY.

(3) A MORTGAGE OR DEED OF TRUST ACCEPTED UNDER THIS SUBSECTION OF A VALUE GREATER THAN \$100,000 SHALL BE RECORDED BY AN OFFICIAL DESIGNATED BY THE PUBLIC BODY ACCEPTING THE MORTGAGE OR DEED OF TRUST IN THE LAND RECORDS OF THE COUNTY WHERE THE REAL PROPERTY IS SITUATED IN ACCORDANCE WITH § 3-103 OF THE REAL PROPERTY ARTICLE.”.