
By: **Delegates Comeau, Conroy and Menes**
Introduced and read first time: February 13, 1998
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Chartered Counties - Contract Actions - Statute of Limitations**

3 FOR the purpose of altering the statute of limitations for certain contract actions
4 against a chartered county.

5 BY repealing and reenacting, with amendments,
6 Article 25A - Chartered Counties of Maryland
7 Section 1A
8 Annotated Code of Maryland
9 (1996 Replacement Volume and 1997 Supplement)

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

12 **Article 25A - Chartered Counties of Maryland**

13 1A.

14 (a) Unless otherwise specifically provided by the laws of Maryland, a
15 chartered county, and every officer, department, agency, board, commission, or other
16 unit of county government may not raise the defense of sovereign immunity in the
17 courts of this State in an action in contract based upon a written contract executed on
18 behalf of the county, or its department, agency, board, commission, or unit by an
19 official or employee acting within the scope of his authority.

20 (b) In any action in contract described under subsection (a) of this section, the
21 county, or its officer, department, agency, board, commission, or other unit of
22 government shall have the immunity from liability described under § 5-509 of the
23 Courts and Judicial Proceedings Article.

24 (c) A claim is barred unless the claimant files suit within one year from the
25 date on which the claim arose [or within one year after completion of the contract
26 giving rise to the claim, whichever is later].

27 (d) In order to provide for the implementation of this section, the governing
28 body of every chartered county shall make available adequate funds for the

1 satisfaction of any final judgment, after the exhaustion of any right of appeal, which
2 has been rendered against the county, or any officer, department, agency, board,
3 commission, or other unit of government in an action in contract as provided in this
4 section.

5 (e) Except as provided in subsections (f) and (g) of this section, a chartered
6 county may not require in a construction contract, or otherwise provide with regard to
7 a construction contract, to which it is a party, that a dispute between the parties
8 involving \$10,000 or more regarding the terms of the contract or performance under
9 the contract, be subject to final binding or conclusive determination by an officer or
10 official body of a chartered county.

11 (f) A chartered county may require or provide, with regard to a construction
12 contract to which it is a party, that if there is a dispute regarding the terms of the
13 contract or performance under the contract, the question or questions involved in the
14 dispute shall be subject to a determination which is final and conclusive on all
15 parties, made either by:

16 (1) A neutral person or entity selected by or in accordance with a
17 procedure established by the highest executive authority of a chartered county; or

18 (2) In the event that the other party does not accept as neutral a person
19 or entity selected under paragraph (1) of this subsection, by an arbitration panel
20 composed of the following:

21 (i) One member designated by the highest executive authority of a
22 chartered county;

23 (ii) One member designated by the other party to the dispute; and

24 (iii) One member to be selected by mutual agreement of the two
25 designated members from lists to be submitted by the parties to the dispute.

26 (g) Notwithstanding the provisions of subsections (e) and (f) of this section, a
27 chartered county may provide or require, with regard to a construction contract to
28 which it is a party, that a dispute between the parties involving \$10,000 or more
29 regarding the terms of the contract or performance under the contract, be subject to a
30 determination of questions of fact by an officer or official body of a chartered county,
31 provided that the decision of the officer or official body of a chartered county is subject
32 to review on the record by a court of competent jurisdiction.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 1998.