

BY: Senator Conway

AMENDMENTS TO SENATE BILL NO. 391, AS AMENDED  
(First Reading File Bill)

AMENDMENT NO. 1

On page 2 of the bill, in line 23, strike “SUBSECTION (E) OF”.

On page 5 of the bill, in line 8, strike “SUBSECTION (C) OF”.

AMENDMENT NO. 2

In the Education, Health, and Environmental Affairs Committee Amendments (SB0391/144736/1), strike Amendment Nos. 4 and 5 in their entirety.

On page 2 of the bill, strike in their entirety lines 28 through 30, inclusive, and substitute:

“(1) THE CONTRACTOR HAS BEEN DENIED CORPORATE SURETY CREDIT;

(2) THE INDIVIDUAL SURETY ONLY TRANSACTS BUSINESS THROUGH AN INSURANCE AGENCY LICENSED BY THE MARYLAND INSURANCE ADMINISTRATION;

(3) THE INDIVIDUAL SURETY ATTACHES THE GSA STANDARD FORM 28, AFFIDAVIT OF INDIVIDUAL SURETY, TO THE BID SECURITY;

(4) THE INDIVIDUAL SURETY PROVIDES A UCC-1 FILING SECURITY INTEREST TO THE UNIT FOR ONE OR MORE OF THE ASSETS LISTED IN ITEM (5)(I) THROUGH (IV) AND (VI) OF THIS SUBSECTION AT THE TIME THE BOND IS FURNISHED; AND”;

in line 31, strike “(2)” and substitute “(5)”; in lines 31 and 32, strike “OF THE FOLLOWING”; and

(Over)

in line 33, after “SOLICITATION” insert “, INCLUDING”.

On page 3, in line 1, after “EQUIVALENTS” insert “HELD”; in line 2, strike “INCLUDING” and substitute “OR ASSETS THAT ARE EVIDENCED BY A SECURITY INTEREST, INCLUDING AN”; in the same line, strike “RECEIPTS” and substitute “RECEIPT ISSUED BY THE FINANCIAL INSTITUTION OR BY AN INDEPENDENT TRUSTEE IN THE NAME OF THE UNIT”; strike beginning with “THE” in line 3 down through “COMMERCE” in line 5 and substitute “§ 9-109 OF THE COMMERCIAL LAW ARTICLE”; in line 7, after “REMEDIED;” insert “AND”

3. IDENTIFY THE SOLICITATION OR CONTRACT NUMBER FOR WHICH THE SECURITY INTEREST IS PROVIDED;”;

in line 17, strike “THAT”; strike beginning with “IS” in line 18 down through “2.” in line 20 and substitute “THAT”; in line 20, after “THE” insert “CONTRACTOR OR”; in line 21, strike “AND” and substitute:

“2. THAT MAY INCLUDE THE GRANTING OF A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY LOCATED WITHIN THE STATE IF SATISFACTORY TO THE UNIT;”;

strike in their entirety lines 22 through 27, inclusive, and substitute:

“3. FOR WHICH THE FACE AMOUNT OF THE MORTGAGE OR DEED OF TRUST ON THE REAL PROPERTY LOCATED WITHIN THE STATE DOES NOT EXCEED 75% OF THE CONTRACTOR’S OR INDIVIDUAL SURETY’S EQUITY INTEREST IN THE PROPERTY; AND

4. FOR WHICH A MORTGAGE OR DEED OF TRUST ACCEPTED UNDER THIS SUBSECTION IS RECORDED BY AN OFFICIAL DESIGNATED BY THE UNIT WHERE THE REAL PROPERTY IS SITUATED IN ACCORDANCE WITH § 3-103 OF THE REAL PROPERTY ARTICLE; OR”;

in line 30, strike “AND”; and in line 33, after “PROVIDED” insert “; AND”

3. CONTAIN A PAYOUT CLAUSE IF THAT DEFAULT CANNOT BE REMEDIED.

(F) ANY ASSET LISTED UNDER SUBSECTION (E)(5) OF THIS SECTION SHALL BE PLEDGED ONLY FOR THE INTENDED SECURITY AND MAY NOT BE PLEDGED FOR

ANY OTHER SECURITY OR CONTRACT IN OR OUTSIDE THE STATE UNTIL THE ASSET IS RELEASED BY THE UNIT”.

AMENDMENT NO. 3

On page 5 of the bill, strike in their entirety lines 25 through 27, inclusive, and substitute:

“(1) THE CONTRACTOR HAS BEEN DENIED CORPORATE SURETY CREDIT;

(2) THE INDIVIDUAL SURETY ONLY TRANSACTS BUSINESS THROUGH AN INSURANCE AGENCY LICENSED BY THE MARYLAND INSURANCE ADMINISTRATION;

(3) THE INDIVIDUAL SURETY ATTACHES THE GSA STANDARD FORM 28, AFFIDAVIT OF INDIVIDUAL SURETY, TO THE BID SECURITY;

(4) THE INDIVIDUAL SURETY PROVIDES A UCC-1 FILING SECURITY INTEREST TO THE PUBLIC BODY FOR ONE OR MORE OF THE ASSETS LISTED IN ITEM (5)(I) THROUGH (IV) AND (VI) OF THIS SUBSECTION AT THE TIME THE BOND IS FURNISHED; AND”;

in line 28, strike “(2)” and substitute “(5)”;

in lines 28 and 29, strike “OF THE FOLLOWING”;

in line 30, after “SOLICITATION” insert “, INCLUDING”;

in line 32, after “EQUIVALENTS” insert “HELD”;

in line 33, strike “INCLUDING” and substitute “OR ASSETS THAT ARE EVIDENCED BY A SECURITY INTEREST, INCLUDING AN”;

in the same line, strike “RECEIPTS” and substitute “RECEIPT ISSUED BY THE FINANCIAL INSTITUTION OR BY AN INDEPENDENT TRUSTEE IN THE NAME OF THE PUBLIC BODY”;

and strike beginning with “THE” in line 34 down through “AND” in line 36 and substitute “§ 9-109 OF THE COMMERCIAL LAW ARTICLE;”.

On page 6 of the bill, in line 2, after “REMEDIED;” insert “AND

3. IDENTIFY THE SOLICITATION OR CONTRACT NUMBER FOR WHICH THE SECURITY INTEREST IS PROVIDED;”;

(Over)

in line 12, strike “THAT”; strike beginning with “IS” in line 13 down through “2.” in line 15 and substitute “THAT”; in line 15, after “THE” insert “CONTRACTOR OR”; and in line 16, strike “AND” and substitute:

“2. THAT MAY INCLUDE THE GRANTING OF A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY LOCATED WITHIN THE STATE IF SATISFACTORY TO THE PUBLIC BODY;”.

AMENDMENT NO. 4

On page 8 of the Education, Health, and Environmental Affairs Committee Amendments, in line 6 of Amendment No. 6, after the semicolon insert “; AND”; strike beginning with “; AND” in line 8 down through “500” in line 11; and in line 15, strike “UNIT” and substitute “PUBLIC BODY”.