

SENATE BILL 453

C8

(5lr2156)

ENROLLED BILL

— Budget and Taxation/Environment and Transportation and Appropriations —

Introduced by **Senators Guzzone and Middleton**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Public-Private Partnership Agreements – ~~Performance Security~~ Construction**
3 **Contracts – Security 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 ~~clarifying the value on which requirements for the amount of the payment security~~
12 ~~and certain performance security shall be based in a public-private partnership~~
13 ~~agreement for a construction contract; and generally relating to performance security~~
14 ~~in public-private partnership agreements for construction contracts.~~

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.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – State Finance and Procurement
 3 Section 10A–401(a)(12)
 4 Annotated Code of Maryland
 5 (2009 Replacement Volume and 2014 Supplement)

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

8 **Article – State Finance and Procurement**

9 10A–401.

10 (a) Whenever applicable, a public–private partnership agreement shall include
 11 the following provisions:

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

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

18 (II) REQUIREMENTS FOR the ~~requirement that PERFORMANCE~~
 19 ~~AND AMOUNT OF THE~~ payment security AND ANY PERFORMANCE SECURITY IN THE
 20 FORM OF A PERFORMANCE BOND FOR CONSTRUCTION CONTRACTS A
 21 CONSTRUCTION CONTRACT shall be ~~established~~ BASED on the value of the RESPECTIVE
 22 construction elements of the public–private partnership agreement and not on the total
 23 value of the public–private partnership agreement.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.