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COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

Legislative Session

1992

Bill No. _____ CB-61-

1992

Chapter No.

Proposed and Presented by _____ Council Member
Fletcher _____

Introduced by

Co-Sponsors

Date of Introduction

BILL

AN ACT concerning

Payment Bonds

FOR the purpose of removing the requirement of labor and
materialmen's bonds for certain permits.

BY repealing and reenacting with amendments:

SUBTITLE 23. ROADS AND SIDEWALKS.

Section 23-116,
The Prince George's County Code
(1991 Edition).

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that Section 23-116 of the Prince George's County Code be and the same is hereby repealed and reenacted with the following amendments:

SUBTITLE 23. ROADS AND SIDEWALKS.

DIVISION 2. PERMITS, BONDS, FEES.

Sec. 23-116. Bonds; required.

(a) Requirement of Bond. Permits required by this Subtitle shall not be issued until the applicant, as principal, has posted: (i) a performance bond in favor of Prince George's County to ensure the satisfactory performance and completion of all work covered by the permit; and/or, where applicable, (ii) a payment bond to ensure timely payment to the County. [, subcontractors, and/or suppliers for work performed under the permit. Said payment bond shall be held by the Department until one (1) year after the date of final acceptance of the permit in order to adequately protect subcontractors and suppliers for work performed under the permit. However, notwithstanding the above, the Director (at his sole discretion) may release a payment bond earlier than the one-year period upon receipt of documentation which proves that all

supplies and subcontractors have been paid.] Where the estimated cost of the work is less than One Thousand Dollars (\$1,000.00), no performance bond will be required. [The limits for a labor and materialman's bond shall be as stated in Section

23-116(e) (2) (A).] The acceptable forms of security are:

* * * * *

(e) Types of Bonds. The following types of bonds shall be required, as applicable, in accordance with Subsection (g) of this Section:

* * * * *

(2) Payment Bonds.

(A) [Labor and Materialman's Bond. A labor and materialman's bond shall be provided by the applicant prior to the issuance of a permit, and retained by the County to ensure payment of persons supplying labor or material for work performed under the permit. A labor and materialman's bond shall be posted whenever the form of security posted as a performance bond is a corporate surety bond and for all other types of security posted if the estimated cost of the work is Twenty-five Thousand Dollars (\$25,000.00), or more. The labor and materialman's bond shall remain in full force and effect until such time as all outstanding bills and obligations for labor and materials supplied for performance of the work defined in the permit are paid for in full, and a certified release of liens and claims is received by the Department.

(B) Reimbursement Bond. A reimbursement bond

will be required where the permittee enters into a contract with the County for the County to perform work within the right-of-way which cannot be performed by the permittee, but which the permittee is obligated to perform. Said bond is to insure payment to Prince George's County for work performed by the County under this contract. At the time of completion of construction for work performed under this contract, the County will bill the permittee for the total cost of the work.

[(C)] (B) Traffic Signal Bond. If it is determined by the Director that a land development requires new, or impacts existing, traffic signal(s), a bond will be required to insure that the cost of the new or corrective work will be borne by the developer. The Director may authorize a permit applicant to design and install traffic control signals. The bond will be released when the traffic signals have been installed or reconstructed, accepted, and all expenses paid.

[(D)] (C) Overhead Structures Bond. The applicant, pursuant to the provisions of this Subtitle, shall be required to post a bond which shall indemnify the County, for a period of five (5) years from the time of completion of the construction, from any harm which the County may suffer as a result of the construction and maintenance of an overhead structure in a road. The amount of the bond shall be one hundred twenty-five percent (125%) of the estimated cost of demolition and removal of the structure as determined at the time the bond is posted. The bond shall be posted prior to the issuance of a permit.

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(h) Refund Agreements for Phases of Work Completed.

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[(4) Release of Claims. In no event shall any labor and materialman's bond be reduced or released until all claims by laborers and material suppliers have been paid, and a release of claims covering the work completed has been filed with the Department.]

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SECTION 2. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this _____ day of _____, 1992.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Richard J. Castaldi
Chairman

ATTEST:

Joyce T. Sweeney
Acting Clerk of the Council

APPROVED:

DATE: _____

BY:

Parris N. Glendenning
County Executive

KEY:

[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions
that remain
unchanged.