

Speaker of the House of Delegates
State House
Annapolis MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 708.

This bill provides that an officer, director or managing agent of a contractor or subcontractor who has control of money held in trust for work performed by a subcontractor is considered a trustee for the purpose of disbursing these funds to the subcontractor.

Senate Bill 68, which was passed by the General Assembly and signed by me on May 18, 1995, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 708.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 708

AN ACT concerning

Real Property – Construction Industry – Trust Relationships

FOR the purpose of providing that an officer, director, or managing agent of a contractor or subcontractor who has actual direction over or control of money held in trust by the contractor or subcontractor for certain subcontractors is a trustee for the purposes of paying the money to the subcontractors who are entitled to it; clarifying which individuals are personally liable for damages; *altering the standard by which certain persons who retain or use certain money held in trust may be personally liable to certain persons under certain circumstances; repealing a certain rule of evidence regarding intent to defraud in certain actions;* defining a certain term; and generally relating to trust relationships in the construction industry.

BY repealing and reenacting, with amendments,
Article – Real Property
Section ~~9-201 through 9-203~~ and 9-202
Annotated Code of Maryland
(1988 Replacement Volume and 1994 Supplement)

BY repealing
Article – Real Property
Section 9-203
Annotated Code of Maryland
(1988 Replacement Volume and 1994 Supplement)