

HOUSE BILL 884

C4, L2

3lr2911

By: **Baltimore City Delegation**

Introduced and read first time: February 9, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City – Insurance – Certificates of Guarantee for County Bond**
3 **Requirements**

4 FOR the purpose of authorizing Baltimore City to honor certificates of guarantee that are
5 issued by certain associations or on behalf of certain contractors in order to satisfy
6 certain county bond requirements; providing that Baltimore City is not required
7 under certain provisions of law to honor certain certificates of guarantee; and
8 generally relating to Baltimore City and certificates of guarantee.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 1–203
12 Annotated Code of Maryland
13 (2017 Replacement Volume and 2022 Supplement)

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

16 **Article – Insurance**

17 1–203.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Certificate of guarantee” means an instrument that is issued:

20 (i) by a nonprofit association of contractors, or its wholly owned
21 subsidiary that is approved to operate by **BALTIMORE CITY**, Calvert County, Charles
22 County, Howard County, Prince George’s County, Montgomery County, St. Mary’s County,
23 or Washington County, as appropriate; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(ii) on behalf of a contractor for the purpose of satisfying:

1. county bond requirements for public improvements; or

2. other county bond requirements.

(3) “Contractor” means a person that, for a fixed price, commission, fee, or percentage, undertakes to bid on or accepts or offers to accept orders or contracts to perform or supervise the construction, improvement, or maintenance of a building, structure, or road.

(b) This article does not apply to a certificate of guarantee.

(c) **BALTIMORE CITY**, Calvert County, Charles County, Howard County, Montgomery County, Prince George’s County, St. Mary’s County, and Washington County:

(1) may honor certificates of guarantee; but

(2) are not required under this article to honor certificates of guarantee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.