
By: **Washington County Delegation**
 Introduced and read first time: February 6, 2006
 Assigned to: Appropriations

Committee Report: Favorable
 House action: Adopted
 Read second time: February 28, 2006

CHAPTER_____

1 AN ACT concerning

2 **Washington County - Insurance - Certificates of Guarantee for County Bond**
 3 **Requirements**

4 FOR the purpose of authorizing Washington County to honor certificates of guarantee
 5 that are issued by certain associations or on behalf of certain contractors in
 6 order to satisfy certain county bond requirements; providing that Washington
 7 County is not required under a certain provision of law to honor certain
 8 certificates of insurance; altering a certain definition; and generally relating to
 9 Washington County and certificates of guarantee.

10 BY repealing and reenacting, with amendments,
 11 Article - Insurance
 12 Section 1-203
 13 Annotated Code of Maryland
 14 (2003 Replacement Volume and 2005 Supplement)

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

17 **Article - Insurance**

18 1-203.

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

20 (2) "Certificate of guarantee" means an instrument that is issued:

1 (i) by a nonprofit association of contractors, or its wholly owned
2 subsidiary that is approved to operate by Calvert County, Charles County, Prince
3 George's County, Montgomery County, [or] St. Mary's County, OR WASHINGTON
4 COUNTY, as appropriate; and

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

- 6 1. county bond requirements for public improvements; or
- 7 2. other county bond requirements.

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

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

13 (c) Calvert County, Charles County, Montgomery County, Prince George's
14 County, [and] St. Mary's County, AND WASHINGTON COUNTY:

- 15 (1) may honor certificates of guarantee; but
- 16 (2) are not required under this article to honor certificates of guarantee.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2006.