

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 733
Appropriations

(Washington County Delegation)

Finance

Washington County - Insurance - Certificates of Guarantee for County Bond
Requirements

This bill authorizes Washington County to honor certificates of guarantee issued by a nonprofit association of contractors, or its wholly owned subsidiary in order to satisfy certain county bond requirements.

Fiscal Summary

State Effect: None.

Local Effect: Authorizing Washington County to honor certificates of guarantee issued by a nonprofit association should not materially impact county finances.

Small Business Effect: Potential minimal.

Analysis

Current Law: A “certificate of guarantee” means an instrument that is issued on behalf of a contractor for the purpose of satisfying county bond requirements for public improvements or other county bond requirements. A “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.

Background: Other counties authorized to honor certificates of guarantee include Calvert, Charles, Montgomery, Prince George’s, and St. Mary’s.

Local Fiscal Effect: Washington County advises that the bill's provisions would not materially impact county finances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Washington County, Maryland Insurance Administration,
Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2006
ncs/hlb

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