

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 884  
Economic Matters

(Baltimore City Delegation)

Finance

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**Baltimore City - Insurance - Certificates of Guarantee for County Bond Requirements**

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This bill authorizes, but does not require, Baltimore City to honor certificates of guarantee issued by a nonprofit association of contractors, or its wholly owned subsidiary in order to satisfy certain city bond requirements. **The bill takes effect June 1, 2023.**

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**Fiscal Summary**

**State Effect:** None. The Maryland Insurance Administration can enforce the bill’s requirements using existing budgeted resources.

**Local Effect:** The bill authorizes, but does not require, Baltimore City to honor certificates of guarantee issued by a nonprofit association of contractors. Baltimore City finances are not affected.

**Small Business Effect:** Potential minimal.

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**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.

Other counties that are authorized but are not required to honor certificates of guarantee include Calvert, Charles, Howard, Montgomery, Prince George's, St. Mary's, and Washington.

**Local Fiscal Effect:** Since the bill authorizes, but does not require, Baltimore City to honor certificates of guarantee issued by a nonprofit association of contractors, Baltimore City advises that there appears to be no impact on its finances.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Baltimore City; Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2023  
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Analysis by: Valarie P. Munroe

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510