

Chapter 749

(House Bill 1216)

AN ACT concerning

Insurance – Certificates of Guarantee for County Bond Requirements – All Counties

FOR the purpose of authorizing all counties, rather than only specified counties, to honor certificates of guarantee that are issued by certain associations or on behalf of certain contractors in order to satisfy certain county bond requirements; providing that a county is not required under certain provisions of law to honor certain certificates of guarantee; and generally relating to certificates of guarantee.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 1–203

Annotated Code of Maryland

(2017 Replacement Volume and 2025 Supplement)

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

Article – Insurance

1–203.

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

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

(i) by a nonprofit association of contractors, or its wholly owned subsidiary that is approved to operate by [Baltimore County, Baltimore City, Calvert County, Charles County, Howard County, Prince George’s County, Montgomery County, St. Mary’s County, or Washington County, as appropriate] **A COUNTY**; and

(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 County, Baltimore City, Calvert County, Charles County, Howard County, Montgomery County, Prince George’s County, St. Mary’s County, and Washington County] **A COUNTY:**

(1) may honor certificates of guarantee; but

(2) [are] **IS** not required under this article to honor certificates of guarantee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, May 26, 2026.