

HOUSE BILL 1216

C4

6lr3526

By: **Delegate Phillips**

Introduced and read first time: February 11, 2026

Assigned to: Government, Labor, and Elections

Committee Report: Favorable

House action: Adopted

Read second time: March 7, 2026

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Certificates of Guarantee for County Bond Requirements – All**
3 **Counties**

4 FOR the purpose of authorizing all counties, rather than only specified counties, to honor
5 certificates of guarantee that are issued by certain associations or on behalf of certain
6 contractors in order to satisfy certain county bond requirements; providing that a
7 county is not required under certain provisions of law to honor certain certificates of
8 guarantee; and generally relating to 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 2025 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:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (i) by a nonprofit association of contractors, or its wholly owned
2 subsidiary that is approved to operate by [Baltimore County, Baltimore City, Calvert
3 County, Charles County, Howard County, Prince George’s County, Montgomery County,
4 St. Mary’s County, or Washington County, as appropriate] A COUNTY; 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, or
9 percentage, undertakes to bid on or accepts or offers to accept orders or contracts to perform
10 or supervise the construction, improvement, or maintenance of a building, structure, or
11 road.

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

13 (c) [Baltimore County, Baltimore City, Calvert County, Charles County, Howard
14 County, Montgomery County, Prince George’s County, St. Mary’s County, and Washington
15 County] A COUNTY:

16 (1) may honor certificates of guarantee; but

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.