

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1216 (Delegate Phillips)  
Government, Labor, and Elections

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

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This bill authorizes, but does not require, any county in the State, instead of only specified counties, 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.

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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, counties to honor certificates of guarantee issued by a nonprofit association of contractors. Any impact on county government finances is expected to be minimal.

**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.

Counties that are authorized but are not required to honor certificates of guarantee include Baltimore, Calvert, Charles, Howard, Montgomery, Prince George's, St. Mary's, and Washington. Baltimore City is also authorized but is not required to honor certificates of guarantee.

**Local Fiscal Effect:** The Department of Legislative Services does not anticipate the bill to materially affect local finances or operations, since the bill authorizes, but does not require, counties to honor certificates of guarantee issued by a nonprofit association of contractors.

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### **Additional Information**

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

**Designated Cross File:** None.

**Information Source(s):** Maryland Insurance Administration; Maryland Association of Counties; Anne Arundel, Cecil, Frederick, Harford, and Somerset counties; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2026  
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