

HB1216-FIN_MACo_SUP.pdf

Uploaded by: Karrington Anderson

Position: FAV



House Bill 1216

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

MACo Position: **SUPPORT**

To: Finance Committee

Date: March 26, 2026

From: Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1216. This bill authorizes counties to honor certificates of guarantee issued by a nonprofit association of contractors as an alternative to traditional surety bonds.

Under current law, only Baltimore County, Calvert, Charles, Howard, Montgomery, Prince George's, St. Mary's, and Washington counties are authorized to accept certificates of guarantee. HB 1216 simply extends this authority statewide, providing counties with an additional tool while preserving local discretion. Importantly, counties retain full authority to require traditional performance or payment bonds on specified projects where they deem that approach more appropriate.

In addition to traditional bonds, a certificate of guarantee is an instrument issued on behalf of a contractor to satisfy county bonding requirements for public improvements such as grading, paving, driveways, storm drains, sediment control, and stormwater management. Certificates of guarantee can offer several advantages if determined appropriate. They can reduce upfront development costs and allow savings to be passed along to consumers. In a housing market where affordability remains a challenge, this cost efficiency can help expand access to homeownership and support new housing production.

HB 1216 is a pro-housing, pro-flexibility measure. It does not mandate acceptance of certificates of guarantee but rather empowers counties with an additional option that many jurisdictions are already using successfully. By expanding this authority statewide, the bill supports local decision-making, promotes cost-effective development, and maintains appropriate safeguards for public infrastructure.

For these reasons, MACo respectfully requests a **FAVORABLE** report on HB 1216.

MBIA Letter of Support HB 1216 (Crossfile).pdf

Uploaded by: Lori Graf

Position: FAV

March 24th, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD, 21401

RE: MBIA Letter of Support HB 1216 Insurance – Certificates of Guarantee for County Bond Requirements – All Counties

Dear Chairwoman Beidle,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 1216 Insurance – Certificates of Guarantee for County Bond Requirements – All Counties**. MBIA supports the Act in its current version.

This bill would authorize every county in Maryland to honor Certificates of Guarantee in addition to traditional bonds. MBIA strongly supports this measure. Certificates of Guarantee have several advantages over traditional bonds. First, they are cheaper, enabling cost savings to be passed on to consumers and more people to access housing. Second, it provides a guarantee of completion, including grading, paving, driveways, storm drains, sediment control, and stormwater management, all organized by industry professionals. This has the advantage of having experts available to provide labor and advice if difficulties arise during the project. This means when difficulties arise, they are likely to be corrected much more quickly and efficiently. This program currently offers certificates of guaranty to Prince George’s County, Howard County, Montgomery County, the City of Gaithersburg, the Town of Poolesville, State Highway, WSSC, and MNCPPC, with excellent results. Developers all over the state should be allowed to take advantage of this wonderful tool.

HB 1216 is a permissive measure that expands an existing statewide option rather than introducing new layers of approval or oversight. Certificates of guarantee are already in use in several Maryland jurisdictions. The bill adds flexibility by giving counties the option to honor Certificates of Guarantee in addition to traditional bonds and does not create any additional administrative processes for counties or contractors.

In 2023, the General Assembly passed a bill to include Baltimore City in this program. On Page 1 line 23 and Page 2 line 11, after “a county,” we are requesting the committee to add “and Baltimore City” to make sure developers in Baltimore City still have the ability to use this program.

For these reasons, MBIA respectfully urges the Committee to give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Finance Committee