

## Chapter 237

**(House Bill 884)**

AN ACT concerning

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

FOR the purpose of authorizing Baltimore City 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 Baltimore City is not required under certain provisions of law to honor certain certificates of guarantee; and generally relating to Baltimore City and certificates of guarantee.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 1–203

Annotated Code of Maryland

(2017 Replacement Volume and 2022 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 CITY**, Calvert County, Charles County, Howard County, Prince George’s County, Montgomery County, St. Mary’s County, or Washington County, as appropriate; 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 CITY**, Calvert County, Charles County, Howard County, Montgomery County, Prince George’s County, St. Mary’s County, and Washington County:

(1) may honor certificates of guarantee; but

(2) are not required under this article to honor certificates of guarantee.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.

**Approved by the Governor, April 24, 2023.**