

HOUSE BILL 440

C4, L1

5lr0707

By: **Howard County Delegation**

Introduced and read first time: February 9, 2015

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

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

4 **Ho. Co. 8–15**

5 FOR the purpose of authorizing Howard County to honor certificates of guarantee that are
6 issued by certain associations or their wholly owned subsidiaries on behalf of certain
7 contractors for the purpose of satisfying certain county bond requirements; providing
8 that Howard County is not required under certain provisions of law to honor certain
9 certificates of guarantee; altering a certain definition; and generally relating to
10 Howard County and certificates of guarantee.

11 BY repealing and reenacting, with amendments,
12 Article – Insurance
13 Section 1–203
14 Annotated Code of Maryland
15 (2011 Replacement Volume and 2014 Supplement)

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

18 **Article – Insurance**

19 1–203.

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

21 (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.



1 (i) by a nonprofit association of contractors, or its wholly owned
2 subsidiary that is approved to operate by Calvert County, Charles County, **HOWARD**
3 **COUNTY**, Prince George's County, Montgomery County, St. Mary's County, or Washington
4 County, as appropriate; 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) Calvert County, Charles County, **HOWARD COUNTY**, Montgomery County,
14 Prince George's County, St. Mary's County, and Washington County:

15 (1) may honor certificates of guarantee; but

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2015.