House Bill 1216

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

MACo Position: **SUPPORT**

To: Government, Labor, and Elections Committee

Date: March 4, 2026

From: Karrington Anderson & Michael Sanderson

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.