

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2022 Legislative Session

Bill No. CB-63-2022

Chapter No. 63

Proposed and Presented by Council Members Franklin, Hawkins, Harrison,
Burroughs, Glaros, Ivey, Medlock, Streeter and Taveras

Introduced by Council Members Franklin, Hawkins, Harrison, Burroughs, Ivey, Medlock,
Streeter, Taveras, Dernoga, and Glaros

Co-Sponsors _____

Date of Introduction September 27, 2022

BILL

1 AN ACT concerning

2 The Prince George’s County Surety Bonding Program

3 For the purpose of establishing a Prince George’s County Surety Bonding Program to increase
4 capacity and contracting opportunities for Prince George’s County’s small business community.

5 BY adding:

6 SUBTITLE 10. FINANCE AND TAXATION.

7 Section 10-337

8 The Prince George's County Code

9 (2019 Edition; 2021 Supplement).

10 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
11 Maryland, that Section 10-337 of the Prince George's County Code be and the same is hereby
12 added:

13 SUBTITLE 10. FINANCE AND TAXATION.

14 **DIVISION 30. PRINCE GEORGE’S COUNTY SURETY BONDING PROGRAM.**

15 **Sec. 10-337. Prince George’s County Surety Bonding Program Established.**

16 There is a Prince George’s County Surety Bonding Program, which is established in
17 accordance with this Section.

18 (a) Definitions. In this section, the following words have the following meanings.

19 (1) **County-based Minority Business Enterprise** has the meaning set forth in Subtitle

1 10A of the Code.

2 (2) **County-based small business** has the meaning set forth in Subtitle 10A of the Code.

3 (3) **Locally-owned and Operated Business** is a County-based business that is also a
4 County resident-owned business, as defined in Subtitle 10A of the Code.

5 (b) The Purchasing Agent shall contract with a County-based business that is a certified
6 surety bond producer in the State of Maryland (hereinafter “Program Manager”) to provide
7 surety bonds, including, but not limited to, bid, performance, or payments bonds, solely for
8 County-based Small Businesses, County-based Minority Business Enterprises, and Locally-
9 Owned and Operated Businesses (hereinafter “Eligible Firms”), provided such contract is
10 approved by County Council resolution, subject to the following:

11 (1) Surety bonds provided to Eligible Firms by the Program Manager shall be accepted
12 by any unit of County Government (including quasi-public agencies under the authority of the
13 County Code); and

14 (2) The Revenue Authority of Prince George’s County shall utilize its fiscal authority to
15 provide a 100% guaranty to the Program Manager for surety bonding provided under this Section
16 up to \$5 million in value per award, a limit that can be modified by resolution of the County
17 Council and concurrence by the County Executive; and

18 (3) Surety bonding awards provided under this Section may only be used by Eligible
19 Firms for public and private projects or contracts located in-whole or in-part in Prince George’s
20 County; and

21 (4) Surety bonding awards provided by the Program Manager under this Section must
22 also be approved by the County MBE Compliance Manager prior to being awarded; and

23 (5) The term of a surety guaranty under this Section may not exceed the contract term,
24 including:

25 (A) The maintenance or warranty period required by the contract; and

26 (B) The period during which the surety may be liable for latent defects; and

27 (6) The Program Manager shall award, and the County MBE Compliance Manager shall
28 approve, applications for surety bonds under this Section based on the following criteria:

29 (A) The applicant and the applicant’s principal leadership have a reputation for
30 financial responsibility, as determined from creditors, employers, and other individuals who have
31 personal knowledge of the applicant; and

1 (B) The applicant has the operational capabilities to successfully complete the project
 2 or contract for which the surety bond is being applied.

3 (7) The Program Manager, with the approval of the County MBE Compliance Manager,
 4 shall establish application procedures and processes for Eligible Firms; and

5 (8) The participating business shall cover a minimum of 20% of the total bond; the
 6 County maximum coverage shall be no greater than 80% of the total bond.

7 (c) Program oversight.

8 (1) Any surety bonding award from a fund established under this Section shall be
 9 approved in advance by the County MBE Compliance Manager. Written notification of awards
 10 from a fund established under this Section shall be sent to the Office of the County Executive
 11 and the Clerk of the County Council (for dissemination to the members of the County Council
 12 and the County Auditor), and the Executive Director of the Revenue Authority of Prince
 13 George’s County within 14 days after the date of the award.

14 (2) Information about this program, including information about award recipients, shall
 15 be considered to be public information for the purposes of the Maryland Public Information Act,
 16 excluding proprietary business information.

17 (3) No determination of award from a fund under this Section shall utilize a minimum
 18 FICO credit score of higher than 570 in evaluating potential recipients.

19 (4) Public reporting. The Program Manager shall submit a written quarterly report to the
 20 Office of the County Executive, the Clerk of the County Council (for dissemination to the
 21 members of the County Council and the County Auditor), the County MBE Compliance
 22 Manager, and the Executive Director of the Revenue Authority of Prince George’s County on the
 23 program’s activities in a structure and format approved by the County MBE Compliance
 24 Manager. The report shall, at a minimum, detail the surety bonding awards and recipients for the
 25 previous quarter, year-to-date, and program-to-date for the fund and be made publicly available
 26 on a website designated by the County MBE Compliance Manager.

27 (5) Funding for the administrative services of the Program Manager may be provided
 28 from the administrative funds of the Small Business Capital and Growth Stimulus Program
 29 authorized under Section 10-336(e).

30 (c) Program maximum. An annual maximum in surety bonding awards and guarantees shall
 31 be \$10,000,000. This maximum may be modified by County Council resolution, with

1 concurrence of the County Executive, after consultation with the Revenue Authority of Prince
2 George’s County and the County MBE Compliance Manager.

3 (d) Revenue Authority Surety Bonding Guaranty Authority. Projects for which surety
4 bonding awards are approved in accordance with the Prince George’s County Surety Bonding
5 Program are hereby authorized projects for financing, and thus surety bonding guarantees, by the
6 Revenue Authority of Prince George’s County for the purposes of Section 21A-103 of the Code.

7 * * * * *

8 SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby
9 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
10 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
11 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
12 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
13 Act, since the same would have been enacted without the incorporation in this Act of any such
14 invalid or unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection,
15 or section.

16 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
17 calendar days after it becomes law.

Adopted this 24th day of October, 2022.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Calvin S. Hawkins, II
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Angela D. Alsobrooks
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.
Asterisks *** indicate intervening existing Code provisions that remain unchanged.

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