

SENATE BILL 467

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2lr1943
CF 2lr1941

By: **Senator West**

Introduced and read first time: January 27, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Home Improvement Commission – Award Limits**

3 FOR the purpose of increasing a certain limit that the Maryland Home Improvement
4 Commission can award from the Home Improvement Guaranty Fund to a claimant
5 for certain acts or omissions of a contractor; and generally relating to award limits
6 and the Maryland Home Improvement Commission.

7 BY repealing and reenacting, with amendments,
8 Article – Business Regulation
9 Section 8–405
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2021 Supplement)

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

14 **Article – Business Regulation**

15 8–405.

16 (a) Subject to this subtitle, an owner may recover compensation from the Fund
17 for an actual loss that results from an act or omission by a licensed contractor or a violation
18 of § 8–607(4) of this title as found by the Commission or a court of competent jurisdiction.

19 (b) For purposes of recovery from the Fund, the act or omission of a licensed
20 contractor includes the act or omission of a subcontractor, salesperson, or employee of the
21 licensed contractor, whether or not an express agency relationship exists.

22 (c) A claimant shall comply with a written agreement to submit a dispute to
23 arbitration before seeking recovery from the Fund.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (d) The Commission may deny a claim if the Commission finds that the claimant
2 unreasonably rejected good faith efforts by the contractor to resolve the claim.

3 (e) The Commission may not award from the Fund:

4 (1) more than ~~[\$20,000]~~ **\$30,000** to one claimant for acts or omissions of
5 one contractor;

6 (2) more than \$100,000 to all claimants for acts or omissions of one
7 contractor unless, after the Commission has paid out \$100,000 on account of acts or
8 omissions of the contractor, the contractor reimburses \$100,000 to the Fund;

9 (3) an amount for attorney fees, consequential damages, court costs,
10 interest, personal injury damages, or punitive damages;

11 (4) an amount as a result of a default judgment in court; or

12 (5) an amount in excess of the amount paid by or on behalf of the claimant
13 to the contractor against whom the claim is filed.

14 (f) (1) A claim against the Fund based on the act or omission of a particular
15 contractor may not be made by:

16 (i) a spouse or other immediate relative of the contractor;

17 (ii) an employee, officer, or partner of the contractor; or

18 (iii) an immediate relative of an employee, officer, or partner of the
19 contractor.

20 (2) An owner may make a claim against the Fund only if the owner:

21 (i) resides in the home as to which the claim is made; or

22 (ii) does not own more than three residences or dwelling places.

23 (g) A claim shall be brought against the Fund within 3 years after the claimant
24 discovered or, by use of ordinary diligence, should have discovered the loss or damage.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2022.