

HOUSE BILL 560

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2000 Regular Session  
0lr0963

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By: **Delegates Barve and Krysiak**

Introduced and read first time: February 7, 2000

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Home Improvement Commission - Home Improvement Enforcement Fund**

3 FOR the purpose of requiring the Home Improvement Commission to create a certain  
4 fund; providing for the operation of the fund; specifying the purposes for which  
5 the Commission may withdraw and use money from the fund; providing for the  
6 application of this Act; defining a certain term; and generally relating to the  
7 Home Improvement Enforcement Fund.

8 BY repealing and reenacting, with amendments,  
9 Article - Business Regulation  
10 Section 8-101  
11 Annotated Code of Maryland  
12 (1998 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article - Business Regulation  
15 Section 8-213  
16 Annotated Code of Maryland  
17 (1998 Replacement Volume and 1999 Supplement)

18 BY adding to  
19 Article - Business Regulation  
20 Section 8-4A-01 and 8-4A-02 to be under the new subtitle "Subtitle 4A. Home  
21 Improvement Enforcement Fund"  
22 Annotated Code of Maryland  
23 (1998 Replacement Volume and 1999 Supplement)

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

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**Article - Business Regulation**

2 8-101.

3 (a) In this title the following words have the meanings indicated.

4 (b) "Commission" means the Maryland Home Improvement Commission.

5 (c) "Contractor" means a person, other than an employee of an owner, who  
6 performs or offers or agrees to perform a home improvement for an owner.7 (d) "Contractor license" means a license issued by the Commission to act as a  
8 contractor.9 (E) "ENFORCEMENT FUND" MEANS THE HOME IMPROVEMENT ENFORCEMENT  
10 FUND.

11 [(e)] (F) "Fund" means the Home Improvement Guaranty Fund.

12 [(f)] (G) "Hearing board" means a home improvement hearing board  
13 appointed by the Commission under § 8-313 of this title.

14 [(g)] (H) (1) "Home improvement" means:

15 (i) the addition to or alteration, conversion, improvement,  
16 modernization, remodeling, repair, or replacement of a building or part of a building  
17 that is used or designed to be used as a residence or dwelling place or a structure  
18 adjacent to that building; or

19 (ii) an improvement to land adjacent to the building.

20 (2) "Home improvement" includes:

21 (i) construction, improvement, or replacement, on land adjacent to  
22 the building, of a driveway, fall-out shelter, fence, garage, landscaping, porch, or  
23 swimming pool;24 (ii) connection, installation, or replacement, in the building or  
25 structure, of a dishwasher, disposal, or refrigerator with an icemaker to existing  
26 exposed household plumbing lines;27 (iii) installation, in the building or structure, of an awning, fire  
28 alarm, or storm window; and

29 (iv) work done on individual condominium units.

30 (3) "Home improvement" does not include:

31 (i) construction of a new home;

1 (ii) work done to comply with a guarantee of completion for a new  
2 building project;

3 (iii) connection, installation, or replacement of an appliance to  
4 existing exposed plumbing lines that requires alteration of the plumbing lines;

5 (iv) sale of materials, if the seller does not arrange to perform or  
6 does not perform directly or indirectly any work in connection with the installation or  
7 application of the materials;

8 (v) work done on apartment buildings that contain four or more  
9 single-family units;

10 (vi) work done on the commonly owned areas of condominiums; or

11 (vii) a shore erosion control project, as defined in § 8-1001 of the  
12 Natural Resources Article, for a residential property.

13 [(h)] (I) "Home improvement contract" means an oral or written agreement  
14 between a contractor and owner for the contractor to perform a home improvement.

15 [(i)] (J) (1) "License" means, except where it refers to a license other than  
16 one issued under this title, a license issued by the Commission.

17 (2) "License" includes:

18 (i) a contractor license;

19 (ii) a subcontractor license; and

20 (iii) a salesperson license.

21 [(j)] (K) "Licensed contractor" means a person who is licensed by the  
22 Commission to act as a contractor.

23 [(k)] (L) "Owner" includes a homeowner, tenant, or other person who buys,  
24 contracts for, orders, or is entitled to a home improvement.

25 [(l)] (M) "Salesperson" means a person who sells a home improvement.

26 [(m)] (N) "Salesperson license" means a license issued by the Commission to  
27 sell a home improvement.

28 [(n)] (O) "Sell a home improvement" means:

29 (1) to negotiate or offer to negotiate a home improvement contract with  
30 an owner; or

31 (2) to seek to get a home improvement contract from an owner.

1 [(o)] (P) "Subcontractor" means a person, other than a laborer or supplier of  
2 materials, who makes an oral or written agreement with:

3 (1) a contractor to perform all or part of a home improvement contract; or

4 (2) another subcontractor to perform all or part of a subcontract to a  
5 home improvement contract.

6 [(p)] (Q) "Subcontractor license" means a license issued by the Commission to  
7 act as a subcontractor.

8 8-213.

9 Except as otherwise provided by law, the Commission shall pay all money  
10 collected under this title into the General Fund of the State.

11 SUBTITLE 4A. HOME IMPROVEMENT ENFORCEMENT FUND.

12 8-4A-01.

13 (A) THE COMMISSION SHALL ESTABLISH A HOME IMPROVEMENT  
14 ENFORCEMENT FUND.

15 (B) (1) THE COMMISSION SHALL DEPOSIT ALL MONEY COLLECTED FROM  
16 FINES UNDER THIS TITLE TO THE CREDIT OF THE ENFORCEMENT FUND WITH THE  
17 STATE TREASURER FOR PLACEMENT IN A SPECIAL ACCOUNT.

18 (2) (I) THE STATE TREASURER SHALL INVEST THE MONEY IN THE  
19 ENFORCEMENT FUND IN THE SAME WAY THE MONEY IN THE STATE RETIREMENT  
20 AND PENSION SYSTEM IS INVESTED.

21 (II) INVESTMENT EARNINGS SHALL BE CREDITED TO THE  
22 ENFORCEMENT FUND.

23 (C) THE ENFORCEMENT FUND MAY RAISE AND COLLECT MONEY THROUGH  
24 VOLUNTARY CONTRIBUTIONS.

25 8-4A-02.

26 THE COMMISSION MAY WITHDRAW AND USE MONEY FROM THE ENFORCEMENT  
27 FUND ONLY FOR THE PURPOSE OF ENFORCING THE PROVISIONS OF THIS TITLE.

28 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
29 General Assembly that the funds created by this Act shall supplement and not  
30 supplant the funds of the Department of Labor, Licensing, and Regulation and that  
31 the Governor may not reduce appropriations to the Department as a result of the  
32 enactment of this Act.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 July 1, 2000.

