
By: **Delegate Kach**

Introduced and read first time: March 2, 2001

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 5, 2001

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2001

CHAPTER 560

1 AN ACT concerning

2 ~~Mobile Homes – Contracts for Initial Sale – Standards and Guidelines~~
3 Home Builders - Miscellaneous Provisions

4 FOR the purpose of specifying the applicability of certain standards and guidelines
5 adopted under certain federal legislation to a contract for the initial sale of a
6 mobile home; altering the circumstances under which the Home Builder
7 Registration Unit may deny a registration to an applicant, reprimand a
8 registrant, suspend or revoke a registration, or impose a civil penalty on a
9 registrant; altering a certain definition; making a certain technical correction
10 corrections; and generally relating to certain standards and guidelines
11 applicable to contracts for the initial sale of mobile homes.

12 BY repealing and reenacting, with amendments,
13 Article - Real Property
14 Section 14-117(j)
15 Annotated Code of Maryland
16 (1996 Replacement Volume and 2000 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article - Business Regulation
19 Section 4.5-101(a)
20 Annotated Code of Maryland
21 (1998 Replacement Volume and 2000 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Business Regulation

1 Section 4.5-101(g), 4.5-305(b), 4.5-308(a)(9), and 4.5-502
 2 Annotated Code of Maryland
 3 (1998 Replacement Volume and 2000 Supplement)

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

6 **Article - Real Property**

7 14-117.

8 (j) (1) ~~IN THIS SUBSECTION, "NEW HOME" INCLUDES A NEW MOBILE HOME.~~

9 ~~(2)~~ This subsection applies to Baltimore City and all other counties
 10 except Montgomery County.

11 ~~{(2)}~~ ~~(3)~~ A contract for the initial sale of a new home, as defined in ~~this~~
 12 ~~sub~~ THE MARYLAND HOME BUILDER REGISTRATION ACT, shall include the
 13 following:

14 (i) The builder registration number of the seller of the new home;

15 (ii) A provision stating that the new home shall be constructed in
 16 accordance with all applicable building codes in effect at the time of the construction
 17 of the new home;

18 (iii) A provision referencing all performance standards or guidelines:

19 1. That the seller shall comply with in the construction of the
 20 new home; and

21 2. That shall prevail in the performance of the contract and
 22 any arbitration or adjudication of a claim arising from the contract; and

23 (iv) A provision detailing the purchaser's right to receive a
 24 consumer information pamphlet as provided under the Home Builder Registration
 25 Act.

26 ~~{(3)}~~ ~~(4)~~ The performance standards or guidelines described in
 27 paragraph ~~{(2)}~~ ~~(3)~~ of this subsection shall be:

28 (i) The performance standards or guidelines adopted at the time of
 29 the contract [by]:

30 1. BY the National Association of Home Builders; OR

31 2. UNDER THE FEDERAL NATIONAL MANUFACTURED
 32 HOUSING AND SAFETY STANDARDS ACT, TO THE EXTENT APPLICABLE;

1 (ii) Any performance standards or guidelines adopted by the home
 2 builder and incorporated into the contract that are equal to or more stringent than
 3 the performance standards OR GUIDELINES adopted at the time of the contract [by]:

4 1. BY the National Association of Home Builders; OR

5 2. UNDER THE FEDERAL NATIONAL MANUFACTURED
 6 HOUSING AND SAFETY STANDARDS ACT, TO THE EXTENT APPLICABLE; or

7 (iii) Any performance standards or guidelines adopted at the time of
 8 the contract by a county or municipal corporation that are equal to or more stringent
 9 than the performance standards or guidelines adopted at the time of the contract
 10 [by]:

11 1. BY the National Association of Home Builders; OR

12 2. UNDER THE FEDERAL NATIONAL MANUFACTURED
 13 HOUSING AND SAFETY STANDARDS ACT, TO THE EXTENT APPLICABLE.

14 ~~{(4)}~~ ~~(5)~~ The information required by paragraph ~~{(2)}~~~~(3)~~ of this
 15 subsection shall be printed in conspicuous type.

16 **Article - Business Regulation**

17 4.5-101.

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

19 (g) "Home builder registration number" means a registration number issued
 20 by the [Director] UNIT to a registrant under this title.

21 4.5-305.

22 (b) At least 60 days before a registration expires, the [Director] UNIT shall
 23 mail the registrant, at the last known address of the registrant:

24 (1) a renewal application form; and

25 (2) a notice that states:

26 (i) the date on which the current registration expires; and

27 (ii) the date by which the [Director] UNIT must receive the renewal
 28 application for a renewal to be issued and mailed before the registration expires.

29 4.5-308.

30 (a) The Unit may deny registration to an applicant, reprimand a registrant,
 31 suspend or revoke a registration, or impose a civil penalty on a registrant if the Unit
 32 determines that the applicant or registrant:

1 (9) engaged in a pattern of poor workmanship as evidenced by one or
2 more of the following:

3 (i) repeated unresolved building code violations;

4 (ii) repeated unsatisfied arbitration awards IN FAVOR OF
5 CONSUMERS against the applicant or registered home builder based on incomplete
6 or substandard work [that results in a consumer, in whose names the arbitration
7 awards are entered, filing complaints with the Division under this subtitle]; or

8 (iii) an unsatisfied final judgment IN FAVOR OF A CONSUMER [that
9 results in a consumer, in whose name the judgment is entered, filing a complaint with
10 the Division under Title 13 of the Commercial Law Article];

11 4.5-502.

12 (a) Subject to the notice and hearing provisions of Title 10, Subtitle 2 of the
13 State Government Article, the Division may bring a civil administrative action
14 against a person that violates § 4.5-501(a) of this subtitle.

15 (b) After a hearing, if the [Director] DIVISION finds that a person has violated
16 § 4.5-501(a) of this subtitle, the [Director] DIVISION may:

17 (1) order the person to cease and desist from unlawful practice; and

18 (2) impose a civil penalty of not more than \$1,000 for each day of
19 unlawful practice.

20 (c) Any party aggrieved by a decision and order of the [Director] DIVISION
21 under this section may make an appeal as provided under §§ 10-222 and 10-223 of
22 the State Government Article.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2001.