

# HOUSE BILL 6

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(PRE-FILED)

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Requested: November 7, 2013

Introduced and read first time: January 8, 2014

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Home Improvement Commission – Guaranty Fund – Claims**

3 FOR the purpose of altering the maximum amount of claim against the Home  
4 Improvement Guaranty Fund for which the Maryland Home Improvement  
5 Commission may issue a proposed order; and generally relating to the Maryland  
6 Home Improvement Commission and the Home Improvement Guaranty Fund.

7 BY repealing and reenacting, with amendments,

8 Article – Business Regulation

9 Section 8–407

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2013 Supplement)

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

14 **Article – Business Regulation**

15 8–407.

16 (a) The procedures for notice, hearings, and judicial review that apply to  
17 proceedings under Subtitle 3 of this title also apply to proceedings to recover from the  
18 Fund.

19 (b) On receipt of a claim, the Commission shall:

20 (1) send a copy of the claim to the contractor alleged to be responsible  
21 for the actual loss; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) require a written response to the claim within 10 days.

2 (c) (1) The Commission:

3 (i) shall review the claim and any response to it; and

4 (ii) may investigate the claim.

5 (2) On the basis of its review and any investigation, the Commission  
6 may:

7 (i) set the matter for a hearing;

8 (ii) dismiss the claim, if the claim is frivolous, legally  
9 insufficient, or made in bad faith; or

10 (iii) issue a proposed order to pay all or part of the claim or deny  
11 the claim if the total claim against a particular contractor does not exceed **[\$5,000]**  
12 **\$10,000**.

13 (d) (1) The Commission shall send the proposed order to the claimant and  
14 the contractor, at the most recent address on record with the Commission, by:

15 (i) personal delivery; or

16 (ii) both regular mail and certified mail, return receipt  
17 requested.

18 (2) Within 21 days after service, receipt, or attempted delivery of the  
19 proposed order, the claimant or contractor may submit to the Commission:

20 (i) a written request for a hearing before the Commission; or

21 (ii) a written exception to the proposed order.

22 (3) If the claimant or contractor submits a timely exception to the  
23 proposed order, the Commission may:

24 (i) issue a revised proposed order;

25 (ii) set a hearing on the claim; or

26 (iii) dismiss the claim.

27 (4) Unless the claimant or contractor submits a timely request for a  
28 hearing or a timely exception, the proposed order is final.

1           (e)   (1)    At a hearing on a claim, the claimant has the burden of proof.

2                   (2)    If a subcontractor or salesperson is necessary to adjudicate a claim  
3 fairly, the Commission shall issue a subpoena for that person to appear at the hearing.

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 July 1, 2014.