C2 6lr0036

By: Chair, Education, Health, and Environmental Affairs Committee (By Request – Departmental – Labor, Licensing and Regulation)

Introduced and read first time: January 22, 2016

Assigned to: Rules

A BILL ENTITLED

1	AN	ACT	concerning
_	T TT 4	1101	COLLCCITILITY

2 Maryland Home Improvement Commission – Subcontractor Licensing 3 Requirement – Repeal

4 FOR the purpose of repealing the requirement that a person must have a subcontractor license or a contractor license issued by the Maryland Home Improvement 5 6 Commission whenever the person acts as a home improvement subcontractor in the 7 State; repealing the application fee, renewal fee, and examination requirement for a 8 subcontractor license; altering the contents of the license application form that must 9 be submitted to the Commission; repealing the authority of the Commission to take 10 disciplinary action against a home improvement subcontractor; altering the 11 circumstances under which payment or compensation may be made for performing 12 or selling a home improvement; repealing the prohibition on a person acting or 13 offering to act as a home improvement subcontractor unless the person has a certain license; altering the contents of a certain notice that must be included in a home 14 15 improvement contract; making stylistic and conforming changes; altering and 16 repealing defined terms; and generally relating to licensing of subcontractors by the 17 Maryland Home Improvement Commission.

18 BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 8-101(i), 8-301, 8-302(a), 8-303(a)(2) and (b), 8-306(c) and (d), 8-307,

8-308(d)(2), 8-308.1(b) and (e)(3), 8-311(a) and (b), 8-315(a), 8-317,

8-501(c)(1), 8-601, and 8-614

Annotated Code of Maryland

24 (2015 Replacement Volume and 2015 Supplement)

25 BY repealing

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26 Article – Business Regulation

27 Section 8–101(p)

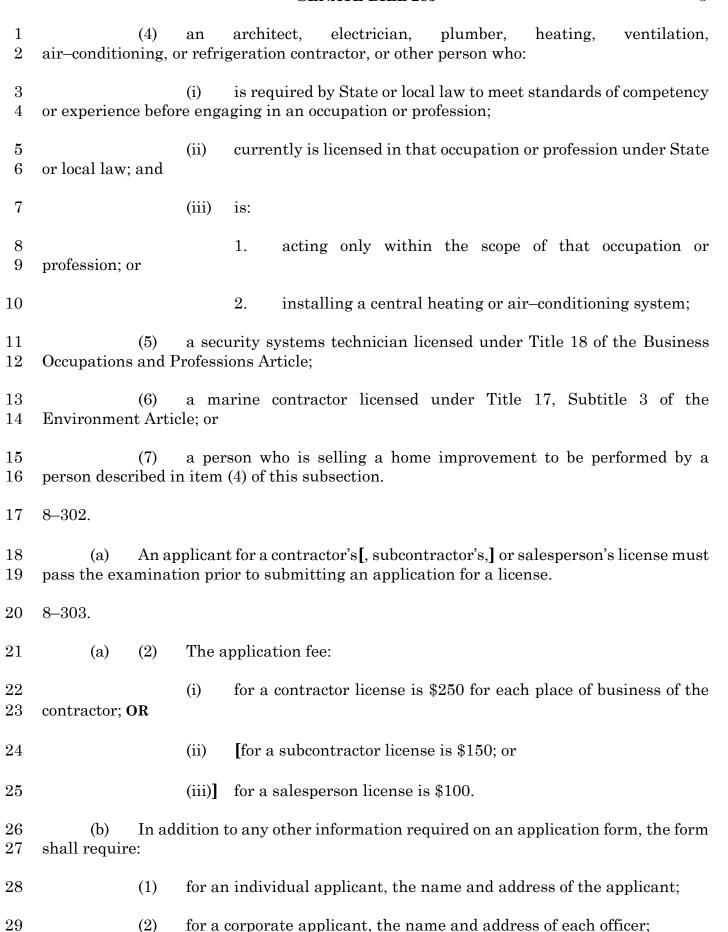
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1	(2015 Replacement Volume and 2015 Supplement)			
2 3	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND. That the Laws of Maryland read as follows:			
4	Article – Business Regulation			
5	8–101.			
6 7	(i) (1) "License" means, except where it refers to a license other than one issued under this title, a license issued by the Commission.			
8	(2) "License" includes:			
9	(i) a contractor license; AND			
10	(ii) [a subcontractor license; and			
11	(iii)] a salesperson license.			
12 13	[(p) "Subcontractor license" means a license issued by the Commission to act as a subcontractor.]			
14	8–301.			
15 16	(a) Except as otherwise provided in this title, a person must have a contractor license whenever the person acts as a contractor in the State.			
17 18	(b) [Except as otherwise provided in this title, a person must have a subcontracto license or contractor license whenever the person acts as a subcontractor in the State.			
19 20	(c)] Except as otherwise provided in this title, a person must have a salesperson license or contractor license whenever the person sells a home improvement in the State.			
21	[(d)] (C) This section does not apply to:			
22 23	(1) an individual who works for a contractor [or subcontractor] for a salary or wages but who is not a salesperson for the contractor;			
24 25 26	(2) a clerical employee, retail clerk, or other employee of a licensed contractor who is not a salesperson, as to a transaction on the premises of the licensed contractor;			
27	(3) a solicitor for a contractor who calls an owner by telephone only;			



(3) 1 for a partnership applicant, the name and address of each partner; 2 **(4)** for a joint venture applicant, the name and address of each party to the 3 joint venture; 4 if the applicant acts as a contractor [or subcontractor] through a corporation or limited partnership, the name and address of the resident agent of the 5 6 corporation or limited partnership in the State; 7 if the applicant is applying for a contractor license for subcontractor 8 license, a complete description of the nature of the contracting business of the applicant; 9 if the applicant is applying for a salesperson license, a complete 10 description of the duties of the applicant; 11 a record of the applicant's experience in the field of home improvement 12 or other construction work, including dates when and addresses where the applicant has 13 resided and done business: 14 if the applicant provides lead paint abatement services, the Department of the Environment lead paint abatement accreditation number and accreditation 15 16 expiration date; 17 whether the applicant has ever held a professional or vocational license 18 in this or any other state; and 19 whether the applicant has had a professional or vocational license 20 denied, suspended, or revoked. 21 8-306. 22Except as otherwise provided in subsection (d) of this section, the Commission 23may not issue a license to an applicant for a contractor license, subcontractor license, or salesperson license who has been convicted of violating § 8–601 of this title. 2425The Commission may issue a contractor license, subcontractor license, or 26 salesperson license to an applicant who has been convicted of violating § 8–601 of this title 27if:

1 year has passed since the date of conviction.

the Commission determines that the applicant has settled all

31 8–307.

(1)

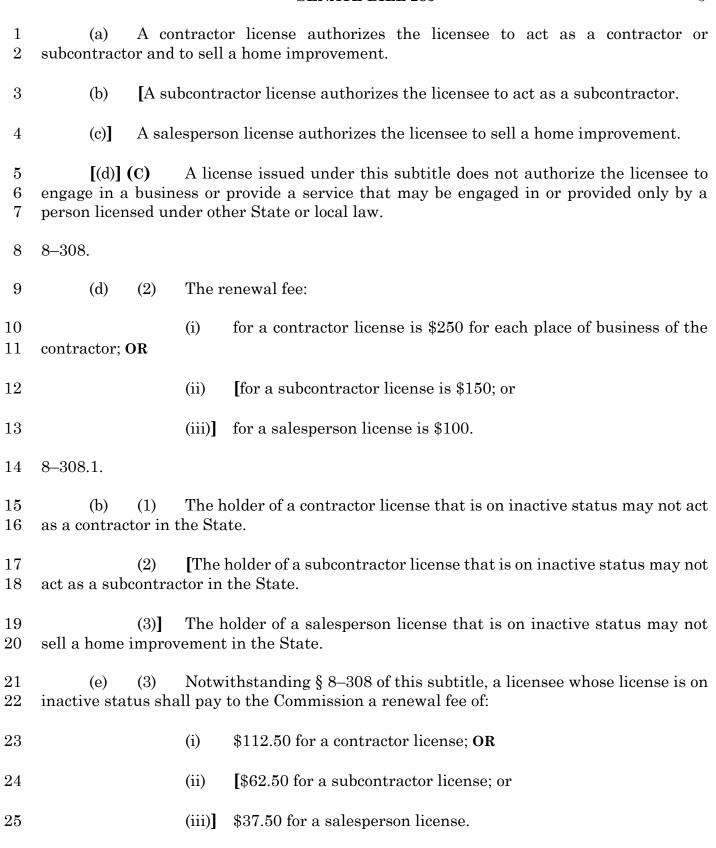
outstanding obligations; and

(2)

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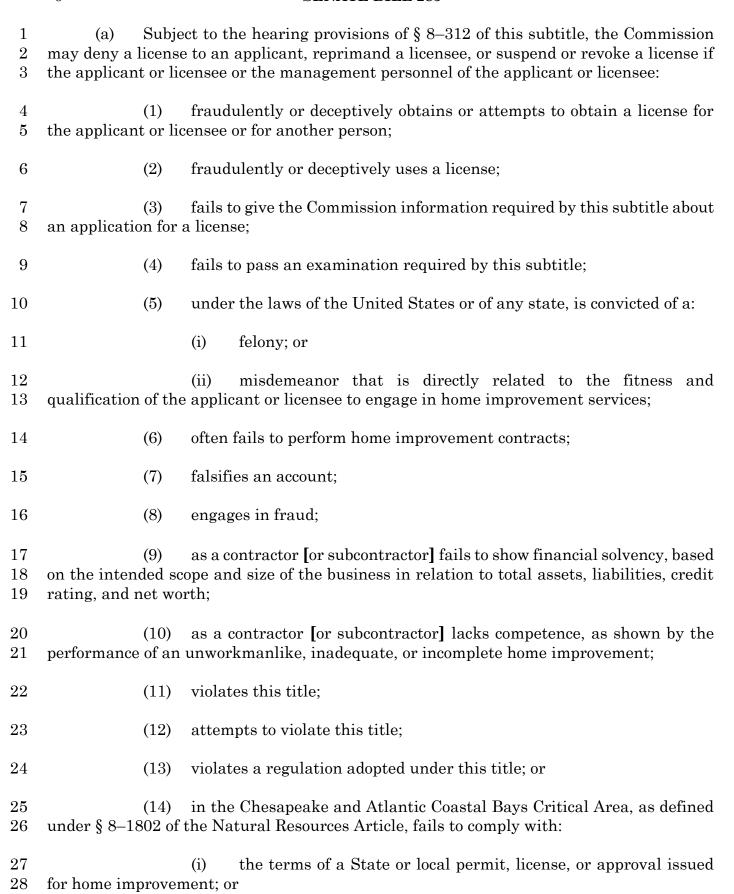
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8–311.



- 1 (ii) any State or local law, an approved plan, or other legal 2 requirement. 3 (b) Subject to the hearing provisions of § 8–312 of this subtitle, the Commission 4 may reprimand a contractor [or subcontractor] or suspend or revoke the license of a contractor [or subcontractor] for a violation of this title by an agent, director, employee, 5 6 manager, officer, partner, or salesperson of the contractor [or subcontractor], unless the 7 Commission finds that the contractor [or subcontractor] or management personnel of the contractor [or subcontractor]: 8 9 had no knowledge of the wrongful conduct; or (1) 10 (2)could not prevent the violation. 11 8–315. 12 Except as otherwise provided in subsection (b) of this section, a contractor [or 13 subcontractor may not pay or otherwise compensate another [contractor or subcontractor or a salesperson PERSON for performing or selling a home improvement unless: 14 15 (1) the person to be paid or compensated is licensed; 16 the person to be paid or compensated is not subject to the licensing 17 requirements of this title; or 18 (3)the transaction for which the consideration is to be paid is not subject 19 to this title. 20 8-317. 21A contractor [or subcontractor] who holds a license under this title is not required to 22 hold a construction license under Title 17 of this article. 23 8-501.24(1) In addition to any other matters on which the parties lawfully agree, 25each home improvement contract shall contain: 26 (i) the name, address, telephone number, and license number of the 27contractor; 28the name and license number of each salesperson who solicited (ii) 29 the home improvement contract or sold the home improvement;
- 30 (iii) the approximate dates when the performance of the home 31 improvement will begin and when it will be substantially completed;

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$\frac{1}{2}$	(iv) materials to be used;	a description of the home improvement to be performed and the
3	(v)	the agreed consideration;
4 5	(vi) payment, including any f	the number of monthly payments and the amount of each inance charge;
6 7	(vii) owner under the home in	a description of any collateral security for the obligation of the approvement contract;
8 9	(viii) Commission and states the	a notice that gives the telephone number and Web site of the hat:
10 11	by the Commission; and	1. each contractor [and each subcontractor] must be licensed
12 13	subcontractor]; and	2. anyone may ask the Commission about a contractor [or
14	(ix)	a notice set by the Commission by regulation that:
15 16	the Commission; and	1. specifies the protections available to consumers through
17 18	performance bond for add	2. advises the consumer of the right to purchase a ditional protection against loss.
19	8–601.	
20 21		herwise provided in this title, a person may not act or offer to act te unless the person has a contractor license.
22 23 24		therwise provided in this title, a person may not act or offer to act State unless the person has a contractor license or subcontractor
25 26 27	` / =	herwise provided in this title, a person may not sell or offer to sell he State unless the person has a contractor license or salesperson

A person who violates this section is guilty of a misdemeanor and, on

first conviction, is subject to a fine not exceeding \$1,000 or imprisonment not exceeding 6 months or both and, on a second or subsequent conviction, is subject to a fine not exceeding

\$5,000 or imprisonment not exceeding 2 years or both.

- 1 8-614.
- A person may not act as a contractor [or subcontractor] or sell a home improvement under a name other than that under which the person is licensed.
- 4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July $5\,$ 1, 2016.