

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 116

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Labor)

Education, Health, and Environmental Affairs

Economic Matters

Maryland Home Improvement Commission - Sunset Extension

This departmental bill extends the termination date for the Maryland Home Improvement Commission (MHIC) by 10 years to July 1, 2032.

Fiscal Summary

State Effect: Special fund revenues and expenditures for MHIC are maintained beyond FY 2022.

Local Effect: None.

Small Business Effect: The Maryland Department of Labor (MDL) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

Current Law/Background: The Maryland Home Improvement Commission in MDL licenses and regulates home improvement contractors and salespersons, subject to specified requirements for licensure and ongoing licensee behavior. MHIC also administers a guaranty fund for the purpose of reimbursing homeowners for actual losses due to the errors and omissions of licensed contractors and their subcontractors, salespersons, and employees. The commission licenses approximately 21,500 individuals, with annual revenues of approximately \$2.5 million and annual operating expenditures of approximately \$1.8 million.

Maryland Program Evaluation Act

MHIC is 1 of approximately 70 regulatory entities and activities subject to evaluation under the Maryland Program Evaluation Act (MPEA). Entities subject to MPEA may be evaluated by DLS only as directed by specified entities or by legislation. Most such entities are subject to termination, including the commission, which is scheduled to terminate July 1, 2022. Accordingly, the evaluation process is better known as sunset review.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 7, 2020
mr/mcr Third Reader - January 17, 2020

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Home Improvement Commission – Sunset Extension

BILL NUMBER: SB 116

PREPARED BY: David Finneran

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON
MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The Maryland Home Improvement Commission issues licenses to contractors and salespersons on a biennial basis. The extension of the statutory and regulatory authority of the Maryland Home Improvement Commission will extend the existing licensing requirements on new and existing small home improvement businesses over an additional ten year period.