
By: Delegates Bozman, Conway, and McClenahan

Introduced and read first time: February 1, 1996

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 19, 1996

CHAPTER ____

1 AN ACT concerning

2 **Home Improvement Licenses - Inactive Status**

3 FOR the purpose of requiring the Home Improvement Commission to place the license of
4 a licensee on inactive status, if the licensee meets certain requirements; prohibiting
5 a licensee whose license is on inactive status from acting as a contractor or
6 subcontractor or selling a home improvement in the State; providing that the holder
7 of a contractor license that is on inactive status is not required to meet certain
8 requirements; providing that the placement of a license on inactive status does not
9 affect the power of the Commission to suspend or revoke the license or to take any
10 other disciplinary action against the licensee; providing that a licensee whose license
11 is on inactive status remains responsible for renewing the license; requiring the
12 Commission to reactivate the license of a licensee that is on inactive status if the
13 licensee meets certain requirements; and generally relating to inactive status for
14 home improvement licenses.

15 BY adding to

16 Article - Business Regulation

17 Section 8-308.1

18 Annotated Code of Maryland

19 (1992 Volume and 1995 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

21 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article - Business Regulation**

2 8-308.1.

3 (A) THE COMMISSION SHALL PLACE THE LICENSE OF A LICENSEE ON
4 INACTIVE STATUS, AND ISSUE AN INACTIVE STATUS CERTIFICATE TO THE LICENSEE,
5 IF THE LICENSEE:

6 (1) SUBMITS TO THE COMMISSION AN APPLICATION FOR INACTIVE
7 STATUS ON THE FORM THAT THE COMMISSION PROVIDES;

8 (2) PAYS TO THE COMMISSION AN INACTIVE STATUS APPLICATION FEE
9 NOT EXCEEDING \$50, AS SET BY THE COMMISSION;

10 (3) EXCEPT FOR THE LIABILITY INSURANCE REQUIREMENT OF § 8-302.1
11 OF THIS SUBTITLE, QUALIFIES FOR AN ACTIVE LICENSE; AND

12 (4) RETURNS THE LICENSE OF THE LICENSEE TO THE COMMISSION.

13 (B) (1) THE HOLDER OF A CONTRACTOR LICENSE THAT IS ON INACTIVE
14 STATUS MAY NOT ACT AS A CONTRACTOR IN THE STATE.

15 (2) THE HOLDER OF A SUBCONTRACTOR LICENSE THAT IS ON INACTIVE
16 STATUS MAY NOT ACT AS A SUBCONTRACTOR IN THE STATE.

17 (3) THE HOLDER OF A SALESPERSON LICENSE THAT IS ON INACTIVE
18 STATUS MAY NOT SELL A HOME IMPROVEMENT IN THE STATE.

19 (C) (1) THE HOLDER OF A CONTRACTOR LICENSE THAT IS ON INACTIVE
20 STATUS IS NOT REQUIRED TO MEET THE LIABILITY INSURANCE REQUIREMENT OF §
21 8-302.1 OF THIS SUBTITLE.

22 (2) THE HOLDER OF A CONTRACTOR LICENSE THAT IS ON INACTIVE
23 STATUS IS NOT SUBJECT TO AN ASSESSMENT FOR THE FUND UNDER § 8-404(B) OF
24 THIS SUBTITLE.

25 (D) THE PLACEMENT OF A LICENSE ON INACTIVE STATUS DOES NOT AFFECT
26 THE POWER OF THE COMMISSION TO SUSPEND OR REVOKE THE LICENSE OR TO
27 TAKE ANY OTHER DISCIPLINARY ACTION AGAINST THE LICENSEE.

28 (E) (1) A LICENSEE WHOSE LICENSE IS ON INACTIVE STATUS REMAINS
29 RESPONSIBLE FOR RENEWING THE LICENSE AS REQUIRED UNDER § 8-308 OF THIS
30 SUBTITLE.

31 (2) THE HOLDER OF A CONTRACTOR LICENSE THAT IS ON INACTIVE
32 STATUS MAY RENEW THE LICENSE WITHOUT COMPLYING WITH THE LIABILITY
33 INSURANCE REQUIREMENT OF § 8-302.1 OF THIS SUBTITLE.

34 (3) NOTWITHSTANDING § 8-308 OF THIS SUBTITLE, A LICENSEE WHOSE
35 LICENSE IS ON INACTIVE STATUS SHALL PAY TO THE COMMISSION A RENEWAL FEE
36 OF:

37 (I) \$112.50 FOR A CONTRACTOR LICENSE;

38 (II) \$62.50 FOR A SUBCONTRACTOR LICENSE; OR

3

1 (III) \$37.50 FOR A SALESPERSON LICENSE.

2 (F) THE COMMISSION SHALL REACTIVATE THE LICENSE OF A LICENSEE THAT
3 IS ON INACTIVE STATUS AND REISSUE THE LICENSE TO THE LICENSEE, IF THE
4 LICENSEE:

5 (1) SUBMITS TO THE COMMISSION AN APPLICATION FOR
6 REACTIVATION ON THE FORM THAT THE COMMISSION PROVIDES;

7 (2) PAYS TO THE COMMISSION A REISSUANCE FEE OF \$10; AND

8 (3) MEETS THE REQUIREMENTS FOR A LICENSE, INCLUDING, IN THE
9 CASE OF A CONTRACTOR, THE LIABILITY INSURANCE REQUIREMENT UNDER §
10 8-302.1 OF THIS SUBTITLE.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 1996.