
By: Delegate Franchot

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Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Contractors Licensing Act**

3 FOR the purpose of requiring a person to be licensed by the Department of Labor,
4 Licensing, and Regulation before the person engages in business as a contractor in
5 the State; requiring that contractors maintain certain insurance; prohibiting certain
6 acts and providing for penalties for violations of the prohibitions; defining certain
7 terms; and generally relating to the licensure and regulation of contractors by the
8 Department of Labor, Licensing, and Regulation.

9 BY adding to

10 Article - Business Regulation
11 Section 7.5-101 through 7.5-501, inclusive, to be under the new title "Title 7.5.
12 Contractors"
13 Annotated Code of Maryland
14 (1992 Volume and 1995 Supplement)

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

17 **Article - Business Regulation**

18 TITLE 7.5. CONTRACTORS.

19 SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

20 7.5-101.

21 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

22 (B) (1) "CONTRACTOR" MEANS A PERSON WHO IN ANY CAPACITY FOR
23 COMPENSATION, OTHER THAN AS AN EMPLOYEE OF ANOTHER, UNDERTAKES,
24 OFFERS TO UNDERTAKE, PURPORTS TO HAVE THE CAPACITY TO UNDERTAKE, OR
25 SUBMITS A BID TO CONSTRUCT, ALTER, REPAIR, ADD TO, SUBTRACT FROM,
26 IMPROVE, MOVE, WRECK, OR DEMOLISH ANY BUILDING, HIGHWAY, ROAD,
27 RAILROAD, STRUCTURE, OR EXCAVATION ASSOCIATED WITH A PROJECT,
28 DEVELOPMENT, OR IMPROVEMENT, OR TO DO ANY PART OF A PROJECT,
29 DEVELOPMENT, OR IMPROVEMENT, INCLUDING THE ERECTION OF SCAFFOLDING

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1 OR OTHER STRUCTURES OR WORKS IN CONNECTION WITH THE PROJECT,
2 DEVELOPMENT, OR IMPROVEMENT.

3 (2) "CONTRACTOR" INCLUDES A CONSTRUCTION MANAGER WHO
4 PERFORMS MANAGEMENT AND COUNSELING SERVICES FOR A CONSTRUCTION
5 PROJECT FOR A PROFESSIONAL FEE.

6 (3) "CONTRACTOR" DOES NOT INCLUDE:

7 (I) A PERSON WHO MERELY FURNISHES MATERIALS OR SUPPLIES
8 WITHOUT FABRICATING OR CONSUMING THEM IN THE CONSTRUCTION PROJECT;

9 (II) A PERSON WHO PERSONALLY PERFORMS CONSTRUCTION
10 WORK ON THE SITE OF REAL PROPERTY THAT THE PERSON OWNS OR LEASES
11 WHETHER FOR COMMERCIAL OR RESIDENTIAL PURPOSES;

12 (III) A PERSON WHO IS LICENSED OR REGISTERED AS A
13 PROFESSIONAL AND WHO FUNCTIONS UNDER THE CONTROL OF ANY OTHER
14 LICENSING OR REGULATORY BOARD, WHOSE PRIMARY BUSINESS IS REAL ESTATE
15 SALES, APPRAISAL, DEVELOPMENT, MANAGEMENT, AND MAINTENANCE, WHO
16 ACTING IN THE PERSON'S RESPECTIVE PROFESSIONAL CAPACITY AND ANY
17 EMPLOYEE OF THE PROFESSIONAL, ACTING IN THE COURSE OF THE PERSON'S
18 EMPLOYMENT, PERFORMS ANY WORK WHICH MAY BE CONSIDERED TO BE
19 PERFORMING CONTRACTING WORK; OR

20 (IV) A CORPORATION, PARTNERSHIP, OR SOLE PROPRIETORSHIP,
21 OR ITS EMPLOYEES, WHOSE PRIMARY PURPOSE IS TO PREPARE CONSTRUCTION
22 PLANS AND SPECIFICATIONS USED BY THE CONTRACTORS AND WHO EMPLOYS FULL
23 TIME A REGISTERED ARCHITECT LICENSED TO PRACTICE IN THE STATE OR A
24 REGISTERED PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THE STATE.

25 (C) "ELECTRICAL CONTRACTOR" MEANS A PERSON WHO ENGAGES IN THE
26 BUSINESS OF CONTRACTING TO INSTALL, ERECT, REPAIR, OR ALTER ELECTRICAL
27 EQUIPMENT FOR THE GENERATION, TRANSMISSION, OR UTILIZATION OF
28 ELECTRICAL ENERGY.

29 (D) "GENERAL BUILDING CONTRACTOR" MEANS A PERSON WHOSE
30 PRINCIPAL BUSINESS IS IN CONNECTION WITH ANY STRUCTURES BUILT, BEING
31 BUILT, OR TO BE BUILT FOR THE SUPPORT, SHELTER, AND ENCLOSURE OF PERSONS,
32 ANIMALS, CHATTELS, OR MOVABLE PROPERTY OF ANY KIND, REQUIRING IN THE
33 CONSTRUCTION THE USE OF MORE THAN TWO CONTRACTOR CLASSIFICATIONS, OR
34 A PERSON WHO SUPERVISES THE WHOLE OR ANY PART OF THE CONSTRUCTION.

35 (E) "GENERAL ENGINEERING CONTRACTOR" MEANS A PERSON WHOSE
36 PRINCIPAL BUSINESS IS IN CONNECTION WITH PUBLIC OR PRIVATE WORKS
37 PROJECTS, INCLUDING IRRIGATION, DRAINAGE, AND WATER SUPPLY PROJECTS,
38 ELECTRICAL GENERATION PROJECTS, SWIMMING POOLS, FLOOD CONTROL,
39 HARBORS, RAILROADS, HIGHWAYS, TUNNELS, AIRPORTS AND AIRWAYS, SEWERS
40 AND SEWAGE DISPOSAL SYSTEMS, BRIDGES, INLAND WATERWAYS, PIPELINES FOR
41 TRANSMISSION OF PETROLEUM AND OTHER LIQUID OR GASEOUS SUBSTANCES;
42 REFINERIES, CHEMICAL PLANTS AND OTHER INDUSTRIAL PLANTS REQUIRING A

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1 SPECIALIZED ENGINEERING KNOWLEDGE AND SKILL, PIERS AND FOUNDATIONS,
2 AND STRUCTURES OR WORK INCIDENTAL TO PUBLIC OR PRIVATE WORKS PROJECTS.

3 (F) "HEATING, VENTILATING, AND COOLING CONTRACTOR" MEANS A
4 PERSON WHO ENGAGES IN THE BUSINESS OF CONTRACTING TO INSTALL, ERECT,
5 REPAIR, SERVICE, OR ALTER HEATING, VENTILATING, AND AIR CONDITIONING
6 EQUIPMENT OR SYSTEMS TO HEAT, COOL, OR VENTILATE RESIDENTIAL AND
7 COMMERCIAL STRUCTURES.

8 (G) "LICENSE" MEANS A LICENSE ISSUED BY THE DEPARTMENT TO ENGAGE
9 IN BUSINESS AS A CONTRACTOR IN ONE OF THE CLASSIFICATIONS SET OUT IN THIS
10 TITLE.

11 (H) "MULTIFAMILY CONTRACTOR" MEANS A PERSON WHO IS ENGAGED IN
12 CONSTRUCTION, REPAIR, OR IMPROVEMENT OF A MULTIFAMILY RESIDENTIAL
13 STRUCTURE.

14 (I) "PIPING CONTRACTOR" MEANS A PERSON WHOSE PRINCIPAL BUSINESS IS
15 THE INSTALLATION OF PROCESS, POWER PLANT, AIR, OIL, GASOLINE, CHEMICAL, OR
16 OTHER KINDS OF PIPING, AND BOILERS AND PRESSURE VESSELS USING JOINING
17 METHODS OF THREAD, WELD, SOLVENT WELD, OR MECHANICAL METHODS.

18 (J) "PLUMBING CONTRACTOR" MEANS A PERSON WHOSE PRINCIPAL
19 BUSINESS IS THE INSTALLATION, MAINTENANCE, EXTENSION, AND ALTERATION OF
20 PIPING, PLUMBING FIXTURES, PLUMBING APPLIANCES, AND PLUMBING
21 APPURTENANCES, VENTING SYSTEMS, AND PUBLIC OR PRIVATE WATER SUPPLY
22 SYSTEMS WITHIN OR ADJACENT TO ANY BUILDING OR STRUCTURE, INCLUDING THE
23 INSTALLATION OF GAS PIPING, CHILLED WATER PIPING IN CONNECTION WITH
24 REFRIGERATION PROCESSES AND COMFORT COOLING, HOT WATER PIPING IN
25 CONNECTION WITH BUILDING HEATING, AND PIPING FOR STAND PIPES.

26 (K) "RESIDENTIAL CONTRACTOR" MEANS A PERSON WHOSE PRINCIPAL
27 BUSINESS IS IN CONNECTION WITH CONSTRUCTION, REPAIR, OR IMPROVEMENT OF
28 REAL PROPERTY USED AS, OR INTENDED TO BE USED FOR, RESIDENTIAL
29 OCCUPANCY.

30 (L) "SPECIALTY CONTRACTOR" MEANS A PERSON WHO ENGAGES IN
31 SPECIALTY CONTRACTING SERVICES THAT DO NOT SUBSTANTIALLY FALL WITHIN
32 THE SCOPE OF ANY OTHER CONTRACTOR CLASSIFICATION.

33 (M) "RESIDENTIAL OCCUPANCY" MEANS OCCUPANCY OF A STRUCTURE FOR
34 RESIDENTIAL PURPOSES FOR PERIODS GREATER THAN 30 DAYS.

35 (N) (1) "RESIDENTIAL STRUCTURE" MEANS A BUILDING OR STRUCTURE
36 USED OR INTENDED TO BE USED FOR RESIDENTIAL OCCUPANCY, TOGETHER WITH
37 RELATED FACILITIES APPURTENANT TO THE PREMISES AS AN ADJUNCT OF
38 RESIDENTIAL OCCUPANCY, WHICH CONTAINS NOT MORE THAN THREE DISTINCT
39 FLOORS THAT ARE ABOVE GRADE IN ANY STRUCTURAL UNIT REGARDLESS OF
40 WHETHER THE BUILDING OR STRUCTURE IS DESIGNED AND CONSTRUCTED FOR
41 ONE OR MORE LIVING UNITS.

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1 (2) "RESIDENTIAL STRUCTURE" DOES NOT INCLUDE DORMITORIES,
2 HOTELS, MOTELS, OR OTHER TRANSIENT LODGING UNITS.

3 (O) "SUBCONTRACTOR" MEANS A PERSON WHO PERFORMS A PORTION OF A
4 PROJECT UNDERTAKEN BY A PRINCIPAL OR GENERAL CONTRACTOR OR ANOTHER
5 SUBCONTRACTOR.

6 7.5-102.

7 IT IS DECLARED TO BE THE POLICY OF THE STATE THAT ALL PERSONS
8 DESIRING TO PERFORM CONTRACTING WORK IN THE STATE BE DULY LICENSED TO
9 ENSURE CAPABLE AND SKILLED CRAFTSMANSHIP UTILIZED IN CONSTRUCTION
10 PROJECTS IN THE STATE, BOTH PUBLIC AND PRIVATE, FAIR BIDDING PRACTICES
11 BETWEEN COMPETING CONTRACTORS THROUGH UNIFORM COMPLIANCE WITH THE
12 LAWS OF THE STATE, AND PROTECTION OF THE PUBLIC FROM UNFAIR, UNSAFE,
13 AND UNSCRUPULOUS BIDDING AND CONSTRUCTION PRACTICES.

14 7.5-103.

15 THE PROVISIONS OF THIS TITLE DO NOT APPLY TO A PERSON WHO IS LICENSED
16 BY A LICENSING OR REGULATORY BOARD OR UNIT IN THE DEPARTMENT.

17 SUBTITLE 2. LICENSING.

18 7.5-201.

19 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MUST
20 OBTAIN A LICENSE FROM THE DEPARTMENT BEFORE THE PERSON ENGAGES IN
21 BUSINESS AS A CONTRACTOR IN THE STATE.

22 (B) THIS SECTION DOES NOT APPLY TO:

23 (1) WORK DONE EXCLUSIVELY BY EMPLOYEES OF THE UNITED STATES
24 GOVERNMENT, THE STATE, A COUNTY, MUNICIPAL CORPORATION, AND ANY
25 GOVERNMENTAL SUBDIVISION OR AGENCY;

26 (2) THE SALE OR INSTALLATION OF A FINISHED PRODUCT, MATERIAL,
27 OR ARTICLE OR MERCHANDISE THAT IS NOT ACTUALLY FABRICATED INTO AND
28 DOES NOT BECOME A PERMANENT FIXED PART OF THE STRUCTURE;

29 (3) WORK PERFORMED PERSONALLY BY AN OWNER OR LESSEE OF
30 REAL PROPERTY ON PROPERTY THE PRIMARY USE OF WHICH IS FOR
31 AGRICULTURAL OR FARMING ENTERPRISE;

32 (4) A MATERIAL SUPPLIER WHO RENDERS ADVICE CONCERNING USE
33 OF PRODUCTS SOLD AND WHO DOES NOT PROVIDE CONSTRUCTION OR
34 INSTALLATION SERVICES;

35 (5) WORK PERFORMED BY A PUBLIC UTILITY COMPANY REGULATED BY
36 THE STATE PUBLIC SERVICE COMMISSION AND ITS EMPLOYEES;

37 (6) REPAIR WORK CONTRACTED FOR BY THE OWNER OF THE
38 EQUIPMENT ON AN EMERGENCY BASIS IN ORDER TO MAINTAIN OR RESTORE THE
39 OPERATION OF THE EQUIPMENT;

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1 (7) WORK PERFORMED BY AN EMPLOYER'S REGULAR EMPLOYEES, FOR
2 WHICH THE EMPLOYEES ARE PAID REGULAR WAGES AND NOT A CONTRACT PRICE,
3 ON BUSINESS PROPERTY OWNED OR LEASED BY THE EMPLOYER;

4 (8) WORK PERSONALLY PERFORMED ON A STRUCTURE BY ITS OWNER
5 OR OCCUPANT; AND

6 (9) WORK PERFORMED WHEN THE SPECIFICATIONS FOR THE WORK
7 HAVE BEEN DEVELOPED OR APPROVED BY ENGINEERING PERSONNEL EMPLOYED
8 BY THE OWNER OF A FACILITY BY REGISTERED PROFESSIONAL ENGINEERS
9 LICENSED PURSUANT TO THE LAWS OF THE STATE WHEN THE WORK TO BE
10 PERFORMED BECAUSE OF ITS SPECIALIZED NATURE OR PROCESS CANNOT BE
11 REASONABLY OR TIMELY CONTRACTED FOR WITHIN THE GENERAL AREA OF THE
12 FACILITY.

13 7.5-202.

14 AN APPLICANT FOR A LICENSE SHALL:

15 (1) FILE WITH THE DEPARTMENT AN APPLICATION ON THE FORM THAT
16 THE DEPARTMENT PROVIDES; AND

17 (2) PAY TO THE DEPARTMENT A LICENSE FEE OF \$100.

18 7.5-203.

19 THE DEPARTMENT SHALL ISSUE A LICENSE TO EACH APPLICANT WHO MEETS
20 THE REQUIREMENTS OF THIS TITLE.

21 7.5-204.

22 A LICENSE AUTHORIZES A LICENSEE TO ENGAGE IN BUSINESS AS A
23 CONTRACTOR.

24 7.5-205.

25 (A) A LICENSE EXPIRES ON THE FIRST ANNIVERSARY OF ITS EFFECTIVE DATE
26 UNLESS IT IS RENEWED FOR A 1-YEAR TERM AS PROVIDED IN THIS SECTION.

27 (B) BEFORE A LICENSE EXPIRES, THE LICENSEE MAY RENEW IT FOR AN
28 ADDITIONAL 1-YEAR TERM IF THE LICENSEE:

29 (1) OTHERWISE IS ENTITLED TO A LICENSE;

30 (2) FILES WITH THE DEPARTMENT A RENEWAL APPLICATION ON THE
31 FORM THAT THE DEPARTMENT PROVIDES; AND

32 (3) PAYS TO THE DEPARTMENT A RENEWAL FEE OF \$100.

33 (C) THE DEPARTMENT SHALL RENEW THE LICENSE OF EACH LICENSEE WHO
34 MEETS THE REQUIREMENTS OF THIS SECTION.

35 7.5-206.

36 (A) THE LICENSE SHALL BE POSTED IN A CONSPICUOUS POSITION AT EACH
37 CONSTRUCTION SITE WHERE WORK IS BEING DONE BY THE CONTRACTOR.

1 (B) THE CONTRACTOR LICENSE NUMBER SHALL BE INCLUDED IN ALL
2 ADVERTISEMENTS AND ALL FULLY EXECUTED AND BINDING CONTRACTS.

3 7.5-207.

4 SUBJECT TO THE HEARING PROVISIONS OF § 7.5-208 OF THIS SUBTITLE, THE
5 DEPARTMENT MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND A LICENSEE,
6 OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR LICENSEE:

7 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
8 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;

9 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

10 (3) VIOLATES A PROVISION OF THIS TITLE;

11 (4) VIOLATES A REGULATION ADOPTED UNDER THIS TITLE;

12 (5) ABANDONS, WITHOUT LEGAL EXCUSE, ANY CONSTRUCTION
13 PROJECT OR OPERATION ENGAGED IN OR UNDERTAKEN BY THE LICENSEE;

14 (6) WILLFULLY FAILS OR REFUSES TO COMPLETE A CONSTRUCTION
15 PROJECT OR OPERATION WITH REASONABLE DILIGENCE, CAUSING MATERIAL
16 INJURY TO ANOTHER;

17 (7) WILLFULLY DEPARTS FROM OR DISREGARDS PLANS OR
18 SPECIFICATIONS IN ANY MATERIAL RESPECT WITHOUT THE CONSENT OF THE
19 PARTIES TO THE CONTRACT;

20 (8) WILLFULLY OR DELIBERATELY VIOLATES THE BUILDING LAWS OR
21 REGULATIONS OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE;

22 (9) WILLFULLY OR DELIBERATELY FAILS TO PAY ANY MONEYS WHEN
23 DUE FOR ANY MATERIALS FREE FROM DEFECT, OR SERVICES RENDERED IN
24 CONNECTION WITH THE PERSON'S OPERATIONS AS A CONTRACTOR WHEN THE
25 PERSON HAS THE CAPACITY TO PAY OR WHEN THE PERSON HAS RECEIVED
26 SUFFICIENT FUNDS UNDER THE CONTRACT AS PAYMENT FOR THE PARTICULAR
27 CONSTRUCTION WORK FOR WHICH THE SERVICES OR MATERIALS WERE RENDERED
28 OR PURCHASED, OR FRAUDULENTLY DENIES ANY AMOUNT WITH INTENT TO
29 INJURE, DELAY, OR DEFRAUD THE PERSON TO WHOM THE DEBT IS OWED;

30 (10) WILLFULLY OR DELIBERATELY ACTS IN THE CAPACITY OF A
31 CONTRACTOR WHEN NOT LICENSED, OR AS A CONTRACTOR BY A PERSON OTHER
32 THAN THE PERSON TO WHOM THE LICENSE IS ISSUED EXCEPT AS AN EMPLOYEE OF
33 THE LICENSEE;

34 (11) WILLFULLY OR DELIBERATELY ACTS WITH THE INTENT TO EVADE
35 THE PROVISIONS OF THIS TITLE BY:

36 (I) AIDING OR ABETTING AN UNLICENSED PERSON TO EVADE THE
37 PROVISIONS OF THIS TITLE;

38 (II) COMBINING OR CONSPIRING WITH AN UNLICENSED PERSON
39 TO PERFORM AN UNAUTHORIZED ACT;

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1 (III) ALLOWING A LICENSE TO BE USED BY AN UNLICENSED
2 PERSON; OR

3 (IV) ATTEMPTING TO ASSIGN, TRANSFER, OR OTHERWISE DISPOSE
4 OF A LICENSE OR ALLOWING ITS UNAUTHORIZED USE;

5 (12) ENGAGES IN ANY WILLFUL, FRAUDULENT, OR DECEITFUL ACT IN
6 THE CAPACITY AS A CONTRACTOR AND SUBSTANTIAL INJURY IS SUSTAINED BY
7 ANOTHER; OR

8 (13) PERFORMS WORK THAT IS NOT COMMENSURATE WITH A GENERAL
9 STANDARD OF THE SPECIFIC CLASSIFICATION OF CONTRACTOR OR THAT IS BELOW
10 A BUILDING OR CONSTRUCTION CODE ADOPTED BY THE MUNICIPAL CORPORATION
11 OR COUNTY IN WHICH THE WORK IS PERFORMED.

12 7.5-208.

13 (A) EXCEPT AS OTHERWISE PROVIDED IN TITLE 10, SUBTITLE 2 OF THE STATE
14 GOVERNMENT ARTICLE, BEFORE THE DEPARTMENT TAKES ANY FINAL ACTION
15 UNDER § 7.5-207 OF THIS SUBTITLE, THE DEPARTMENT SHALL GIVE THE INDIVIDUAL
16 AGAINST WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING
17 BEFORE THE DEPARTMENT.

18 (B) THE DEPARTMENT SHALL GIVE NOTICE AND HOLD THE HEARING IN
19 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

20 (C) THE DEPARTMENT MAY ADMINISTER OATHS IN CONNECTION WITH ANY
21 PROCEEDING UNDER THIS SECTION.

22 (D) IF AFTER DUE NOTICE THE INDIVIDUAL AGAINST WHOM THE ACTION IS
23 CONTEMPLATED FAILS OR REFUSES TO APPEAR, NEVERTHELESS THE DEPARTMENT
24 MAY HEAR AND DETERMINE THE MATTER.

25 7.5-209.

26 ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE DEPARTMENT IN A
27 CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,
28 MAY TAKE AN APPEAL AS ALLOWED IN §§ 10-222 AND 10-223 OF THE STATE
29 GOVERNMENT ARTICLE.

30 SUBTITLE 3. MISCELLANEOUS PROVISIONS.

31 7.5-301.

32 (A) EACH CONTRACTOR SHALL MAINTAIN WORKERS' COMPENSATION
33 INSURANCE AND GENERAL LIABILITY INSURANCE IN THE AMOUNT SPECIFIED BY
34 THE DEPARTMENT.

35 (B) (1) THE INSURANCE COMPANY CARRYING THE WORKERS'
36 COMPENSATION INSURANCE OR GENERAL LIABILITY INSURANCE FOR THE
37 LICENSED CONTRACTOR SHALL NOTIFY THE DEPARTMENT IMMEDIATELY OF THE
38 CANCELLATION, TERMINATION, OR EXPIRATION OF THE INSURANCE.

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1 (2) THE DEPARTMENT SHALL NOTIFY THE CONTRACTOR THAT THE
2 CONTRACTOR'S LICENSE WILL BE SUSPENDED 15 DAYS AFTER THE DATE OF THE
3 NOTICE UNLESS THE CONTRACTOR CAN PROVIDE PROOF OF INSURANCE TO THE
4 DEPARTMENT.

5 7.5-302.

6 TO THE EXTENT THAT OTHER STATES THAT PROVIDE FOR THE LICENSING OF
7 CONTRACTORS PROVIDE FOR SIMILAR ACTION, THE DEPARTMENT MAY GRANT
8 LICENSES OF THE SAME OR EQUIVALENT CLASSIFICATION TO CONTRACTORS
9 LICENSED BY OTHER STATES, WITHOUT WRITTEN EXAMINATION ON SATISFACTORY
10 PROOF FURNISHED TO THE DEPARTMENT THAT THE QUALIFICATIONS OF THE
11 APPLICANTS ARE EQUAL TO THE QUALIFICATIONS OF HOLDERS OF SIMILAR
12 LICENSES IN THE STATE AND AFTER APPLICATION AND PAYMENT OF THE
13 REQUIRED LICENSE FEE.

14 7.5-303.

15 (A) ANY PERSON MAKING APPLICATION TO THE BUILDING INSPECTOR OR
16 OTHER AUTHORITY OF ANY MUNICIPAL CORPORATION OR OTHER POLITICAL
17 SUBDIVISION IN THE STATE CHARGED WITH THE DUTY OF ISSUING BUILDING OR
18 OTHER PERMITS FOR THE CONSTRUCTION OF ANY BUILDING, HIGHWAY, SEWER, OR
19 STRUCTURE OR FOR ANY REMOVAL OF MATERIALS OR EARTH, GRADING, OR
20 IMPROVEMENT, SHALL, BEFORE ISSUANCE OF THE PERMIT, EITHER FURNISH
21 SATISFACTORY PROOF TO THE INSPECTOR OR AUTHORITY THAT THE PERSON IS
22 DULY LICENSED UNDER THE PROVISIONS OF THIS TITLE TO CARRY OUT OR
23 SUPERINTEND THE PROJECT, OR FILE A WRITTEN AFFIDAVIT THAT THE PERSON IS
24 NOT SUBJECT TO LICENSURE AS A CONTRACTOR OR SUBCONTRACTOR.

25 (B) THE INSPECTOR OR AUTHORITY MAY NOT ISSUE A BUILDING PERMIT TO
26 ANY PERSON WHO DOES NOT POSSESS A VALID CONTRACTOR'S LICENSE REQUIRED
27 BY THIS TITLE.

28 7.5-304.

29 (A) ANY ARCHITECT OR ENGINEER PREPARING ANY PLAN AND
30 SPECIFICATION FOR CONTRACTING WORK TO BE PERFORMED IN THE STATE SHALL
31 INCLUDE IN THE PLAN, SPECIFICATION, AND INVITATION TO BID A REFERENCE TO
32 THIS TITLE INFORMING ANY PROSPECTIVE BIDDER THAT THE PERSON'S
33 CONTRACTOR LICENSE NUMBER MUST BE INCLUDED ON ANY BID SUBMISSION.

34 (B) A SUBCONTRACTOR SHALL FURNISH THE PERSON'S CONTRACTOR
35 LICENSE NUMBER TO THE CONTRACTOR BEFORE THE AWARD OF THE CONTRACT.

36 SUBTITLE 4. PROHIBITED ACTS; PENALTIES.

37 7.5-401.

38 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT ACT OR
39 OFFER TO ACT AS A CONTRACTOR IN THE STATE UNLESS THE PERSON HAS A
40 CONTRACTOR LICENSE.

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1 7.5-402.

2 A PERSON WHO UNDERTAKES ANY CONSTRUCTION WORK WITHOUT A
3 LICENSE WHEN THE INITIAL COST OF THE CONSTRUCTION CONTRACT ON ANY
4 PROJECT ON WHICH THE WORK IS UNDERTAKEN IS MORE THAN \$25,000 IS, IN
5 ADDITION TO ANY OTHER PENALTY, SUBJECT TO A CIVIL PENALTY OF \$200 FOR
6 EACH DAY THAT THE PERSON IS IN VIOLATION.

7 7.5-403.

8 A PERSON WHO KNOWINGLY AND WILLFULLY VIOLATES ANY PROVISION OF
9 THIS TITLE IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A
10 FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR OR BOTH.

11 SUBTITLE 5. SHORT TITLE.

12 7.5-501.

13 THIS TITLE IS THE "MARYLAND CONTRACTORS LICENSING ACT".

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