

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 811 (Delegate Snodgrass)  
Economic Matters

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**Home Improvement Contractors and Subcontractors - Local Enforcement Actions**

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This bill establishes a civil penalty for home improvement contractors and subcontractors who operate without the appropriate license of up to \$1,000 for each violation that is enforced by local jurisdictions. The bill allows counties or municipal corporations to bring civil action against a violator if (1) they have reasonable reason to believe a violation has occurred; and (2) the commission fails to begin an investigation within ten days of receiving notice of the violation or take enforcement action against the violator within 30 days of receiving notice.

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**Fiscal Summary**

**State Effect:** Indeterminate minimal increase in State expenditures. Indeterminate minimal decrease in general fund revenues.

**Local Effect:** Potential indeterminate increase in local revenues. Expenditures would not be affected.

**Small Business Effect:** Potential minimal impact on small business as discussed below.

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**Fiscal Analysis**

**State Effect:** General fund expenditures may increase an indeterminate amount as a result of the bill's civil penalties and a corresponding increase in workload for the District Court. Expenditures could also decrease minimally to the extent that the Home Improvement Commission fails to begin an investigation within ten days of a complaint or take enforcement action against a violator within 30 days from receiving notice of the violation. Violators that would have been sentenced to imprisonment may instead face civil actions brought by counties or municipalities, decreasing expenditures. Conversely, general fund revenues could decrease to the extent that the fines assessed against

violators are collected by and paid to counties or municipalities instead of to the State general fund.

The impact on the State is estimated to be minimal because it is assumed that the State will either begin an investigation within ten days of a complaint or take enforcement action against a violator within 30 days from receiving notice of the violation in most cases.

**Local Revenues:** Counties or municipalities would be permitted to bring civil actions against violators of home improvement laws and to recover civil fines of up to \$1,000. The revenue collected by the localities is estimated to be minimal because it is assumed that the State will either begin an investigation within ten days of a complaint or take enforcement action against a violator within 30 days from receiving notice of the violation in most cases.

**Small Business Effect:** There are 16,500 licensed home improvement contractors and subcontractors, the majority of whom are assumed to be employed by small businesses. To the extent that more civil actions are brought by counties or municipal corporations against home improvement contractors and subcontractors who operate without the appropriate license, these small businesses may incur increased expenditures.

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**Information Source(s):** Department of Labor, Licensing and Regulation (Home Improvement Commission), Frederick County, Prince George's County

**Fiscal Note History:** First Reader - February 25, 1997  
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