

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 252 (Senator Baker)

Judicial Proceedings

Real Property - New Home Warranty Security Plans

This bill transfers the regulatory authority over new home warranty security plans from the Department of Labor, Licensing, and Regulation to the Maryland Insurance Administration. It also requires that a new home warranty security plan warrant that the new home meets the applicable building and construction codes in effect in the local jurisdiction on the warranty date.

Fiscal Summary

State Effect: None. The bill's changes could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Effect: None. There are currently only 5 companies in Maryland that offer new home warranties. The Department of Labor, Licensing, and Regulation indicates that the transfer of this function has no operational impact because no employees are dedicated to this responsibility on a full-time basis. The Maryland Insurance Administration advises that they would require 2 half-time positions for this function with a total cost of \$39,295

in fiscal 2000. The Department of Legislative Services believes that the administration can handle the function with existing budgeted resources because the required regulation of new home warranties is minimal and there are only 5 companies that offer such warranties.

Information Source(s): Department of Labor, Licensing, and Regulation; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 1999

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