
By: **Delegate Barve**

Introduced and read first time: February 7, 2000

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Home Improvement Guaranty Fund - Payment of Claims**

3 FOR the purpose of altering the amount of approved claims against a home
4 improvement contractor under the Home Improvement Guaranty Fund that
5 must be submitted to the Maryland Home Improvement Commission before the
6 Commission may pay the approved claims proportionately; and generally
7 relating to payment of claims from the Home Improvement Guaranty Fund.

8 BY repealing and reenacting, without amendments,
9 Article - Business Regulation
10 Section 8-405(a) and (e)
11 Annotated Code of Maryland
12 (1998 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Business Regulation
15 Section 8-409(b)
16 Annotated Code of Maryland
17 (1998 Replacement Volume and 1999 Supplement)

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

20 **Article - Business Regulation**

21 8-405.

22 (a) Subject to this subtitle, an owner may recover compensation from the
23 Fund for an actual loss that results from an act or omission by a licensed contractor
24 or a violation of § 8-607(4) of this title as found by the Commission or a court of
25 competent jurisdiction.

26 (e) The Commission may not award from the Fund:

27 (1) more than \$10,000 to 1 claimant for acts or omissions of 1 contractor;

1 (2) more than \$100,000 to all claimants for acts or omissions of 1
2 contractor unless, after the Commission has paid out \$100,000 on account of acts or
3 omissions of the contractor, the contractor reimburses \$100,000 to the Fund;

4 (3) an amount for attorney fees, consequential damages, court costs,
5 interest, personal injury damages, or punitive damages; or

6 (4) an amount as a result of a default judgment in court.

7 8-409.

8 (b) (1) Except as otherwise provided in this subsection, the Commission
9 shall pay approved claims in the order submitted.

10 (2) If approved claims submitted to the Commission against a contractor
11 exceed [\$50,000] \$100,000 less the amount of unreimbursed claim payments
12 previously made for the contractor, the Commission may pay the approved claims
13 proportionately so that each claimant receives the same percentage payment of the
14 claims.

15 (3) After the Fund is reimbursed, the Commission shall pay unsatisfied
16 approved claims.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2000.