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By: **Delegate Barve**  
Introduced and read first time: February 7, 2000  
Assigned to: Economic Matters

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Committee Report: Favorable  
House action: Adopted  
Read second time: February 29, 2000

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CHAPTER \_\_\_\_\_

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:

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**Article - Business Regulation**

2 8-405.

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

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

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

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

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

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

15 8-409.

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

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

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

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