

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE**Revised**

House Bill 1431 (Delegate Kach)

Economic Matters

Finance

Home Builders - Miscellaneous Provisions

This bill provides that the disclosure requirements for new homes applicable to all jurisdictions except Montgomery County also apply to new mobile homes. The bill also provides that the performance standards referenced in the disclosure may be performance standards or guidelines adopted at the time of the contract under the federal National Manufactured Housing and Safety Standards Act, to the extent applicable.

The bill also alters evidences of “poor workmanship” for which the Home Builder Registration Unit within the Consumer Protection Division of the Attorney General’s Office may deny registration to an applicant, reprimand a registrant, suspend or revoke a registration, or impose a civil penalty on a registrant. Under the bill, repeated unsatisfied arbitration awards in favor of consumers based on incomplete or substandard work or an unsatisfied final judgment in favor of a consumer is evidence of poor workmanship.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Except in Montgomery County, a contract for the initial sale of a new home must include: (1) the builder registration number of the seller; (2) a provision stating that the home will be constructed in accordance with all applicable building codes in effect at the time of construction; (3) a provision referencing all performance standards or guidelines; and (4) a provision detailing the purchaser's right to receive a consumer information pamphlet as provided under the Maryland Home Builder Registration Act. The performance standards or guidelines must be those adopted by the National Association of Home Builders.

A home builder must register with the Home Builder Registration Unit within the Consumer Protection Division of the Attorney General's Office. The unit supplies registered home builders with consumer information pamphlets to distribute to home purchasers. The unit may deny registration to an applicant, reprimand a registrant, suspend or revoke a registration, or impose a civil penalty on a registrant for, among other enumerated causes, engaging in a pattern of poor workmanship as evidenced by: (1) repeated unresolved building code violations; (2) unsatisfied arbitration awards against the applicant or registrant based on incomplete or substandard work that results in the consumers, in whose names the awards are entered, filing complaints with the Consumer Protection Division; or (3) an unsatisfied final judgment that results in a consumer, in whose name the judgment is entered, filing a complaint with the Consumer Protection Division under the Maryland Consumer Protection Act.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General, Department of Legislative Services

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