
By: **Delegates Kach, Eckardt, Gordon, Krysiak, Love, Mitchell, and Walkup**
Introduced and read first time: February 4, 2002
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 5, 2002

CHAPTER _____

1 AN ACT concerning

2 **Home Builders - Registration Fee**

3 FOR the purpose of ~~altering the~~ establishing an initial registration fee for home
4 builders under the Home Builder Registration Unit; establishing fees for the
5 renewal of a registration; repealing the authority of the Consumer Protection
6 Division of the Attorney General's Office to establish by regulation certain fees;
7 repealing a requirement that certain fees approximate certain direct and
8 indirect costs; providing for a delayed effective date; providing for the
9 termination of this Act; and generally relating to home builder registration fees
10 and the Home Builder Registration Unit.

11 BY repealing and reenacting, with amendments,
12 Article - Business Regulation
13 Section 4.5-203, 4.5-304, and 4.5-305
14 Annotated Code of Maryland
15 (1998 Replacement Volume and 2001 Supplement)

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

18 **Article - Business Regulation**

19 4.5-203.

20 (a) (1) There is a Home Builder Registration Fund.

21 (2) The Division shall administer the Registration Fund.

1 (3) The Registration Fund shall be used to cover the actual documented
2 direct and indirect costs incurred for the administration and enforcement of the
3 Maryland Home Builder Registration Act.

4 (4) The Registration Fund is a continuing, nonlapsing fund, and is
5 subject to § 7-302 of the State Finance and Procurement Article.

6 (5) Unspent assets of the Registration Fund shall remain in the
7 Registration Fund and may not revert or be transferred to the General Fund of the
8 State.

9 (6) The Registration Fund may not be supported by appropriations of
10 State funds.

11 (b) (1) ~~[By regulation, the Division shall establish reasonable fees that may
12 not exceed \$600 over a 2-year period, and a fee schedule for the issuance and renewal
13 of registrations.] THE DIVISION SHALL COLLECT A BIENNIAL REGISTRATION FEE
14 FROM EACH PERSON REQUIRED TO BE REGISTERED UNDER THIS TITLE.~~

15 ~~(2) THE REGISTRATION FEE SHALL BE BASED ON THE NUMBER OF NEW
16 HOMES CONSTRUCTED BY THE PERSON IN THE CALENDAR YEAR PRECEDING THE
17 2-YEAR REGISTRATION PERIOD AS FOLLOWS:~~

18 ~~(I) 10 OR FEWER NEW HOMES..... \$300~~

19 ~~(II) 11 OR MORE NEW HOMES..... \$600~~

20 ~~(3) The fees charged shall approximate the direct and indirect costs of
21 administering and enforcing the Maryland Home Builder Registration Act.~~

22 ~~(e) The Division shall pay all funds collected under § 4.5-303 §§ 4.5-303,
23 4.5-304, AND 4.5-305 of this title to the Comptroller, who shall distribute the fees to the
24 Registration Fund.~~

25 ~~(f) (C) The Office of Legislative Audits shall audit the accounts and
26 transactions of the Registration Fund under § 2-1220 of the State Government
27 Article.~~

28 4.5-304.

29 (a) The Unit shall register and issue a home builder registration number to an
30 applicant that:

31 (1) meets the requirements of this title[.]; AND

32 (2) PAYS TO THE DIVISION AN INITIAL 2-YEAR REGISTRATION FEE OF
33 \$600.

34 (b) A registration issued under this title may not be transferred, assigned, or
35 pledged.

1 (c) A valid registration authorizes the registrant to act as a home builder in
2 the State.

3 (d) A home builder that holds a license or registration in Montgomery County
4 may act as a home builder in that county only, unless the home builder is also
5 registered under this title.

6 4.5-305.

7 (a) (1) Unless renewed under this section, a registration expires on the
8 second anniversary of its effective date.

9 (2) A registrant that meets the requirements of subsection (c) of this
10 section may obtain a renewal of a registration before the registration expires for an
11 additional 2-year term.

12 (3) Once expired, a registration may not be renewed.

13 (b) At least 60 days before a registration expires, the Unit shall mail the
14 registrant, at the last known address of the registrant:

15 (1) a renewal application form; and

16 (2) a notice that states:

17 (i) the date on which the current registration expires; and

18 (ii) the date by which the Unit must receive the renewal application
19 for a renewal to be issued and mailed before the registration expires.

20 (c) The Unit shall renew the registration of each registrant that:

21 (1) submits to the Unit a renewal application on the form provided by the
22 Unit;

23 (2) would qualify for an initial registration;

24 (3) pays TO the DIVISION A renewal fee [established by regulation; and]
25 BASED ON THE NUMBER OF BUILDING PERMITS FOR THE CONSTRUCTION OF NEW
26 HOMES ISSUED TO THE REGISTRANT IN THE PRECEDING CALENDAR YEAR AS
27 FOLLOWS:

28 (I) 10 OR FEWER NEW HOMES..... \$300; AND

29 (II) 11 OR MORE NEW HOMES..... \$600; AND

30 (4) is otherwise entitled to be registered.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 January 1, 2003. It shall remain effective for a period of 3 years and, at the end of

1 December 31, 2005, with no further action required by the General Assembly, this Act
2 shall be abrogated and of no further force and effect.