

# HOUSE BILL 662

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EMERGENCY BILL

9lr1992  
CF SB 377

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By: ~~Delegate Vaughn~~ **Delegates Vaughn, McHale, Minnick, and Walkup**

Introduced and read first time: February 9, 2009

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 26, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Business Regulation – Home Builder Guaranty Fund – Fee**

3 FOR the purpose of requiring certain home builders to pay the Home Builder  
4 Guaranty Fund fee to a municipal corporation; requiring certain home builders  
5 to pay the fee for residential units in multiple–unit developments to a county or  
6 municipal corporation; requiring a municipal corporation to remit a certain fee  
7 to the Consumer Protection Division of the Office of the Attorney General;  
8 authorizing a county or municipal corporation to retain a certain amount of  
9 certain fee revenues to recover certain administrative costs; making this Act an  
10 emergency measure; and generally relating to the Home Builder Guaranty  
11 Fund fee.

12 BY repealing and reenacting, without amendments,  
13 Article – Business Regulation  
14 Section 4.5–101(d), 4.5–601(a), and 4.5–703(a) and (b)(1)  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume and 2008 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Business Regulation  
19 Section 4.5–704  
20 Annotated Code of Maryland  
21 (2004 Replacement Volume and 2008 Supplement)

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

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Business Regulation**

2 4.5–101.

3 (d) “Division” means the Consumer Protection Division of the Office of the  
4 Attorney General.

5 4.5–601.

6 (a) Except for a building permit for construction to be performed directly by a  
7 landowner solely for the landowner’s own use, the building and permits department of  
8 a county may not issue a permit for home building unless:

9 (1) the permit includes the home builder registration number of a  
10 registrant; and

11 (2) the person pays the Guaranty Fund fee required under § 4.5–704 of  
12 this title.

13 4.5–703.

14 (a) The Division shall:

15 (1) establish a Home Builder Guaranty Fund; and

16 (2) maintain the Guaranty Fund at a level of at least \$1,000,000.

17 (b) (1) The Division shall deposit all money collected under § 4.5–704 of  
18 this subtitle in the Guaranty Fund.

19 4.5–704.

20 (a) (1) Subject to the provisions of subsection (c) of this section, a home  
21 builder shall pay to [the building and permits department of] a county **OR A**  
22 **MUNICIPAL CORPORATION** a Guaranty Fund fee **PER HOME OR RESIDENTIAL**  
23 **UNIT** as set by the Division under subsection (c) of this section with each application  
24 for a permit for construction of a new home **OR MULTIPLE–UNIT DEVELOPMENT**.

25 (2) The home builder may collect the Guaranty Fund fee from the  
26 consumer.

27 (3) **(I) [Each] SUBJECT TO THE PROVISIONS OF**  
28 **SUBPARAGRAPH (II) OF THIS PARAGRAPH, EACH** month, [the building and permits  
29 department of] a county **OR MUNICIPAL CORPORATION** shall remit all the Guaranty  
30 Fund fees to the Division to be deposited in the Guaranty Fund.

1 (II) A COUNTY OR MUNICIPAL CORPORATION MAY RETAIN  
2 UP TO 2% OF THE GUARANTY FUND FEE REVENUE THAT IT COLLECTS UNDER  
3 THIS SUBTITLE TO COVER REASONABLE ADMINISTRATIVE COSTS FOR  
4 COLLECTION AND PROCESSING OF THE GUARANTY FUND FEE.

5 (4) The Guaranty Fund fee may be deposited only in the Guaranty  
6 Fund.

7 (b) If a registrant fails to pay the Guaranty Fund fee, the registrant’s home  
8 builder registration is suspended until the fee is paid.

9 (c) The Division shall set the amount of the Guaranty Fund fee required  
10 under subsection (a) of this section so as to not exceed \$50 PER RESIDENTIAL UNIT  
11 and to maintain the Guaranty Fund level required under § 4.5–703(a) of this subtitle.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
13 measure, is necessary for the immediate preservation of the public health or safety,  
14 has been passed by a yea and nay vote supported by three–fifths of all the members  
15 elected to each of the two Houses of the General Assembly, and shall take effect from  
16 the date it is enacted.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.