

# HOUSE BILL 409

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 29, 2010

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Home Improvement Commission – Guaranty Fund Jurisdiction**

3 FOR the purpose of prohibiting the Maryland Home Improvement Commission from  
4 making an award from the Home Improvement Guaranty Fund in excess of a  
5 certain amount paid to the contractor against whom the claim is filed; altering  
6 the conditions under which a claim against the Fund can be made so as to  
7 authorize an owner to make a claim only if the owner or an immediate relative  
8 of the owner resides, as a principal or vacation residence, in the home as to  
9 which the claim is made; and generally relating to the Home Improvement  
10 Guaranty Fund.

11 BY repealing and reenacting, with amendments,  
12 Article – Business Regulation  
13 Section 8–405(e) and (f)(2)  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2009 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 8–405.

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

21 (1) more than \$20,000 to one claimant for acts or omissions of one  
22 contractor;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)     more than \$100,000 to all claimants for acts or omissions of one  
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; **OR**

7           **(5)     AN AMOUNT IN EXCESS OF THE AMOUNT PAID BY OR ON**  
8 **BEHALF OF THE CLAIMANT TO THE CONTRACTOR AGAINST WHOM THE CLAIM IS**  
9 **FILED.**

10          (f)     (2)     An owner may make a claim against the Fund only if the owner[:

11                   (i)     resides in the home as to which the claim is made; or

12                   (ii)    does not own more than three residences or dwelling places]  
13 **OR IMMEDIATE RELATIVE OF THE OWNER RESIDES, EITHER AS A PRINCIPAL OR**  
14 **VACATION RESIDENCE, IN THE HOME AS TO WHICH THE CLAIM IS MADE.**

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2010.