

# HOUSE BILL 1041

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CF SB 256

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By: **Delegates Vaughn, Arora, Barkley, Barnes, Braveboy, Dumais, Frick, Frush, Gaines, Gilchrist, Gutierrez, Hucker, Jameson, Kach, Kaiser, Kramer, Lee, Love, Minnick, Mitchell, Mizeur, Niemann, Reznik, Stukes, Tarrant, Waldstreicher, and Washington**

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Definition of Home Builder**

3 FOR the purpose of altering the definition of “home builder” to include a person who  
4 enters into a contract with a consumer under which the person agrees to  
5 provide the consumer with a new home; excluding from the definition of “home  
6 builder” a real estate developer who does not enter into contracts with  
7 consumers to provide or construct homes; excluding from the definition of “home  
8 builder” a buyer’s agent representing a prospective buyer in the purchase of a  
9 new home; and generally relating to the definition of home builder for the  
10 purpose of home builder registration.

11 BY repealing and reenacting, with amendments,  
12 Article – Business Regulation  
13 Section 4.5–101(g)  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2010 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 4.5–101.

20 (g) (1) “Home builder” means a person that undertakes to erect or  
21 otherwise construct a new home.

22 (2) “Home builder” includes:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) a custom home builder as defined in § 10–501 of the Real  
2 Property Article;

3 (ii) a new home builder subject to § 10–301 of the Real Property  
4 Article; [and]

5 (iii) the installer or retailer of a mobile home or an industrialized  
6 building intended for residential use; AND

7 **(IV) A PERSON THAT ENTERS INTO A CONTRACT WITH A**  
8 **CONSUMER UNDER WHICH THE PERSON AGREES TO PROVIDE THE CONSUMER**  
9 **WITH A NEW HOME.**

10 (3) “Home builder” does not include:

11 (i) an employee of a registrant who does not hold himself or  
12 herself out for hire in home building except as an employee of a registrant;

13 (ii) subcontractors or other vendors hired by the registrant to  
14 perform services or supply materials for the construction of a new home who do not  
15 otherwise meet the requirements of this title;

16 (iii) the manufacturer of industrialized buildings intended for  
17 residential use or of mobile homes, unless the manufacturer also installs the  
18 industrialized buildings or mobile homes;

19 (iv) a real estate developer who does not construct, **OR ENTER**  
20 **INTO CONTRACTS WITH CONSUMERS TO PROVIDE OR CONSTRUCT,** homes;

21 (v) a financial institution that lends funds for the construction  
22 or purchase of residential dwellings in the State; [or]

23 (vi) except as otherwise provided in this title, a person who  
24 erects or constructs new homes solely in Montgomery County; **OR**

25 **(VII) A BUYER’S AGENT, AS DEFINED IN § 17–530 OF THE**  
26 **BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, WHEN REPRESENTING A**  
27 **PROSPECTIVE BUYER IN THE PURCHASE OF A NEW HOME.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2011.