

SENATE BILL 256

C2

1lr1834
CF HB 1041

By: **Senators Middleton and Kelley**
Introduced and read first time: January 28, 2011
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: February 22, 2011

CHAPTER _____

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.

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 (g) (1) "Home builder" means a person that undertakes to erect or
2 otherwise construct a new home.

3 (2) "Home builder" includes:

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

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

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

10 (IV) A PERSON WHO ENTERS INTO A CONTRACT WITH A
11 CONSUMER UNDER WHICH THE PERSON AGREES TO PROVIDE THE CONSUMER
12 WITH A NEW HOME.

13 (3) "Home builder" does not include:

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

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

19 (iii) the manufacturer of industrialized buildings intended for
20 residential use or of mobile homes, unless the manufacturer also installs the
21 industrialized buildings or mobile homes;

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

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

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

28 (VII) A BUYER'S AGENT, AS DEFINED IN § 17–530 OF THE
29 BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, WHEN REPRESENTING A
30 PROSPECTIVE BUYER IN THE PURCHASE OF A NEW HOME.

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