

SB0429/753123/1

BY: Education, Energy, and the Environment Committee

AMENDMENTS TO SENATE BILL 429
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Commission** –” insert “**Guaranty Fund and**”; in line 3, after the first “of” insert “**increasing the funding level of the Home Improvement Guaranty Fund that is administered by the Home Improvement Commission; increasing a certain Fund threshold that determines whether a fee is assessed to each contractor;**”; in lines 3 and 4, strike “Maryland Home Improvement”; in line 4, strike “Home Improvement Guaranty”; in line 6, strike the second “and” and substitute a comma; in line 7, after “Commission” insert “**, and the Home Improvement Guaranty Fund**”; in line 10, after “Section” insert “**8-403 through**”; and in the same line, after “8-405” insert “**and 8-409**”.

AMENDMENT NO. 2

On page 1, after line 15, insert:

“8-403.

(a) The Commission shall:

(1) establish a Home Improvement Guaranty Fund;

(2) keep the Fund at a level of at least ~~[\$250,000]~~ **\$1,000,000**; and

(3) submit a report detailing actions being taken to restore the balance of the Fund to a sustainable level to the Senate ~~[Education, Health, and Environmental Affairs]~~ **ON EDUCATION, ENERGY, AND THE ENVIRONMENT** and the House Economic Matters Committee within 30 days of projecting that the Fund balance will be less than ~~[\$250,000]~~ **\$1,000,000.**

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(b) (1) Except as otherwise provided by law, the Commission shall deposit all money collected to the credit of the Fund with the State Treasurer for placement in a special account.

(2) (i) The Commission shall establish and maintain within the Fund a separate account to be held with the State Treasurer for the payment of necessary expenses for expert witnesses used to resolve claims against the Fund.

(ii) One-half of the money collected under § 8-620(c) of this title shall be credited to the account established in subparagraph (i) of this paragraph.

(iii) One-half of the money collected under § 8-620(c) of this title shall be credited to the General Fund of the State.

(3) (i) The State Treasurer shall invest the money in the Fund in the same way that money in the State Retirement and Pension System is invested.

(ii) Investment earnings shall be credited to the Fund.

(c) The Commission shall administer the Fund in accordance with this subtitle.

8-404.

(a) Before the Commission issues a contractor license, the contractor shall pay a fee of \$100 to be credited to the Fund.

(b) (1) If the Commission finds that, because of pending claims, the amount of the Fund may fall below ~~[\$250,000]~~ **\$1,000,000**, the Commission shall assess each contractor a fee of \$50.

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(2) However, under this subsection the Commission may not assess a contractor more than \$150 in a calendar year.

(c) If a contractor fails to pay an assessment within 60 days after notice of the assessment, the contractor license is suspended until the assessment is paid.”.

On page 2, in lines 6, 7, and 9, in each instance, strike “**\$200,000**” and substitute “**\$250,000**”; and after line 25, insert:

“8-409.

(a) The Commission may order payment of a claim against the Fund only if:

(1) the decision or order of the Commission is final in accordance with Title 10, Subtitle 2 of the State Government Article and all rights of appeal are exhausted; or

(2) the claimant provides the Commission with a certified copy of a final judgment of a court of competent jurisdiction or a final award in arbitration, with all rights of appeal exhausted, in which the court or arbitrator:

(i) expressly has found on the merits that the claimant is entitled to recover under § 8-405(a) of this subtitle; and

(ii) has found the value of the actual loss.

(b) (1) Except as otherwise provided in this subsection, the Commission shall pay approved claims in the order submitted.

(2) If approved claims submitted to the Commission against a contractor exceed ~~[\$100,000]~~ **\$250,000** less the amount of unreimbursed claim payments previously made for the contractor, the Commission may pay the approved

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claims proportionately so that each claimant receives the same percentage payment of the claims.

(3) After the Fund is reimbursed, the Commission shall pay unsatisfied approved claims.

(c) If there is not enough money in the Fund to pay an approved claim wholly or partly, the Commission shall pay the unpaid claim:

(1) when enough money is deposited in the Fund; and

(2) in the order that each claim originally was filed with a court of competent jurisdiction or submitted to the Commission.”.