

HB1348/363120/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1348
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute “**Home Improvement Contractors – Disaster Mitigating Services – Regulation and Prohibition**”; in line 3, after the first “of” insert “altering the definition of “home improvement” to include the provision of certain disaster mitigating services for purposes of licensing and regulation of home improvement contractors; authorizing a certain owner to rescind a home improvement contract for disaster mitigating services under certain circumstances; authorizing the governing body of a county to impose certain limitations on in-person solicitation of a victim of a disaster by a contractor offering disaster mitigation services;”; strike beginning with “prohibiting” in line 3 down through “practice;” in line 6; and strike in their entirety lines 7 through 21, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 8–101 and 8–501(c)(1)(viii) and (ix)

Annotated Code of Maryland

(2024 Replacement Volume)

BY adding to

Article – Business Regulation

Section 8–501(c)(1)(x), 8-501.1, and 8–507

Annotated Code of Maryland

(2024 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Business Regulation

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Section 8–501(c)(2) and (3) and (f)
Annotated Code of Maryland
(2024 Replacement Volume)”.

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 24 on page 1 through line 4 on page 3, inclusive, and substitute:

“Article – Business Regulation

8–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Commission” means the Maryland Home Improvement Commission.
- (c) “Contractor” means a person, other than an employee of an owner, who performs or offers or agrees to perform a home improvement for an owner.
- (d) “Contractor license” means a license issued by the Commission to act as a contractor.
- (E) **“DISASTER MITIGATING SERVICES” INCLUDES:**
 - (1) **BOARDING UP WINDOWS OR DOORS TO SECURE A BUILDING;**
 - (2) **DEMOLITION OF A STRUCTURE TO PREVENT FURTHER DAMAGE;**
 - (3) **SETTING WATER MITIGATION EQUIPMENT;**

(4) TARPING OR CAULKING A ROOF OR BUILDING AFTER DAMAGE;

AND

(5) SECURING A WALL OR ROOF TO PREVENT FURTHER DAMAGE.

[(e)] (F) “Fund” means the Home Improvement Guaranty Fund.

[(f)] (G) “Hearing board” means a home improvement hearing board appointed by the Commission under § 8–313 of this title.

[(g)] (H) (1) “Home improvement” means:

(i) 1. the addition to or alteration, conversion, improvement, modernization, remodeling, repair, or replacement of a building or part of a building that is used or designed to be used as a residence or dwelling place or a structure adjacent to that building; or

[(ii)] 2. an improvement to land adjacent to the building; OR

(II) THE PROVISION OF DISASTER MITIGATING SERVICES FOR A BUILDING OR PART OF A BUILDING THAT IS USED OR DESIGNED TO BE USED AS A RESIDENCE OR DWELLING PLACE OR A STRUCTURE ADJACENT TO THAT BUILDING.

(2) “Home improvement” includes:

(i) construction, improvement, or replacement, on land adjacent to the building, of a driveway, fall-out shelter, fence, garage, landscaping, deck, pier, porch, or swimming pool;

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(ii) a shore erosion control project, as defined under § 8-1001 of the Natural Resources Article, for a residential property;

(iii) connection, installation, or replacement, in the building or structure, of a dishwasher, disposal, or refrigerator with an icemaker to existing exposed household plumbing lines;

(iv) installation, in the building or structure, of an awning, fire alarm, or storm window; and

(v) work done on individual condominium units.

(3) “Home improvement” does not include:

(i) construction of a new home;

(ii) work done to comply with a guarantee of completion for a new building project;

(iii) connection, installation, or replacement of an appliance to existing exposed plumbing lines that requires alteration of the plumbing lines;

(iv) sale of materials, if the seller does not arrange to perform or does not perform directly or indirectly any work in connection with the installation or application of the materials;

(v) work done on apartment buildings that contain four or more single-family units; or

(vi) work done on the commonly owned areas of condominiums.

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[(h)] (I) “Home improvement contract” means an oral or written agreement between a contractor and owner for the contractor to perform a home improvement.

[(i)] (J) (1) “License” means, except where it refers to a license other than one issued under this title, a license issued by the Commission.

(2) “License” includes:

(i) a contractor license; and

(ii) a salesperson license.

[(j)] (K) “Licensed contractor” means a person who is licensed by the Commission to act as a contractor.

[(k)] (L) “Owner” includes a homeowner, tenant, or other person who buys, contracts for, orders, or is entitled to a home improvement.

[(l)] (M) “Salesperson” means a person who sells a home improvement.

[(m)] (N) “Salesperson license” means a license issued by the Commission to sell a home improvement.

[(n)] (O) “Sell a home improvement” means:

(1) to negotiate or offer to negotiate a home improvement contract with an owner; or

(2) to seek to get a home improvement contract from an owner.

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[(o)] (P) “Subcontractor” means a person, other than a laborer or supplier of materials, who makes an oral or written agreement with:

(1) a contractor to perform all or part of a home improvement contract;
or

(2) another subcontractor to perform all or part of a subcontract to a home improvement contract.

8-501.

(c) (1) In addition to any other matters on which the parties lawfully agree, each home improvement contract shall contain:

(viii) a notice that gives the telephone number and website of the Commission and states that:

1. each contractor must be licensed by the Commission;
and

2. anyone may ask the Commission about a contractor;
[and]

(ix) a notice set by the Commission by regulation that:

1. specifies the protections available to consumers through the Commission; and

2. advises the consumer of the right to purchase a performance bond for additional protection against loss; AND

(X) IF THE CONTRACT IS FOR THE PROVISION OF DISASTER MITIGATING SERVICES, NOTICE OF THE OWNER'S RIGHT TO RESCIND THE CONTRACT UNDER § 8-501.1 OF THIS SUBTITLE.

(2) If payment for work performed under the home improvement contract will be secured by an interest in residential real estate, a written notice in not smaller than 10 point bold type that is on the first page of the contract shall state in substantially the following form: "This contract creates a mortgage or lien against your property to secure payment and may cause a loss of your property if you fail to pay the amount agreed upon. You have the right to consult an attorney. You have the right to rescind this contract within 3 business days after the date you sign it by notifying the contractor in writing that you are rescinding the contract."

(3) The notice under paragraph (2) of this subsection shall be independently initialed by the homeowner.

(f) (1) Except as provided in paragraph (2) of this subsection, a home improvement contract for the installation of a solar energy generating system on the roof of a building shall include the installation of a barrier that meets industry standards to prevent wildlife intrusion and damage to the solar energy generating system or the underlying roof.

(2) A home improvement contract for the installation of a solar energy generating system on the roof of a building is not required to include the installation of a barrier as specified under paragraph (1) of this subsection if the customer has waived the installation of the barrier after being informed of the cost of the barrier and the risks of not installing a wildlife barrier.

8-501.1.

(A) (1) AN OWNER MAY RESCIND A HOME IMPROVEMENT CONTRACT FOR DISASTER MITIGATING SERVICES WITHIN 5 DAYS AFTER ENTERING INTO THE CONTRACT.

(2) AN OWNER THAT RESCINDS A HOME IMPROVEMENT CONTRACT IN ACCORDANCE WITH THIS SECTION MAY NOT BE REQUIRED TO PAY MORE THAN THE AMOUNT OF THE PENALTY INDICATED IN THE CONTRACT.

(B) A HOME IMPROVEMENT CONTRACT FOR DISASTER MITIGATING SERVICES SHALL:

(1) COMPLY WITH THE REQUIREMENTS OF § 14-302 OF THE COMMERCIAL LAW ARTICLE; AND

(2) INCLUDE THE FOLLOWING LANGUAGE, WHICH SHALL BE INITIALED BY THE OWNER:

“DURING THE FIRST 5 DAYS AFTER THIS CONTRACT IS SIGNED, THE OWNER HAS THE RIGHT TO RESCIND THE CONTRACT AND BE LIABLE ONLY FOR A PENALTY IN AN AMOUNT NOT TO EXCEED \$ _____ (FILL IN AMOUNT).”.

8-507.

(A) IN THIS SECTION, “DISASTER” MEANS A SERIOUS EVENT THAT:

(1) CAUSES HARM TO A HOME, BUILDING, OR OTHER STRUCTURE;
AND

(2) REQUIRES EMERGENCY RESPONSE SERVICES.”.

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On page 3, strike in their entirety lines 14 through 21, inclusive, and substitute:

“(D) THE GOVERNING BODY OF A COUNTY MAY IMPOSE LIMITATIONS ON IN-PERSON SOLICITATION OF A VICTIM OF A DISASTER BY A CONTRACTOR OFFERING DISASTER MITIGATION SERVICES, INCLUDING LIMITATIONS ON THE HOURS DURING WHICH AND AREAS WITHIN WHICH IN-PERSON SOLICITATION MAY OCCUR.”