

HB1351/933625/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1351
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**and Ruff**” and substitute “**, Ruff, and Bhandari**”; in line 2, after “**Services**” insert “**and Fraudulent Insurance Acts**”; in line 6, after “contractors;” insert “exempting certain home improvement contractors from certain home improvement contractor licensing requirements in certain instances;”; in line 10, after “services;” insert “repealing a certain intent requirement for a certain fraudulent insurance act; establishing that it is a fraudulent insurance act for a certain person to provide a payment, referral fee, rebate, gift, or anything of value to a certain person in connection with a claim for the repair or replacement of a residential structure;”; in line 13, after “8-101” insert “, 8-301(c)(6) and (7).”; in line 18, after “Section” insert “8-301(c)(8).”; in line 23, after “Section” insert “8-301(a) and (b) and”; and after line 25, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-407.2

Annotated Code of Maryland

(2017 Replacement Volume and 2025 Supplement)

BY adding to

Article - Insurance

Section 27-407.3

Annotated Code of Maryland

(2017 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 3, in line 11, strike “and”; and in line 12, after “units” insert:

“(VI) WORK DONE ON TREES, INCLUDING REMOVAL SERVICES;
AND

(VII) WATER REMEDIATION SERVICES THAT RESTORE, CLEAN,
SANITIZE, OR RETURN A PROPERTY TO BE SAFE AND HABITABLE”.

On page 4, after line 17, insert:

“8-301.

(a) Except as otherwise provided in this title, a person must have a contractor license whenever the person acts as a contractor in the State.

(b) Except as otherwise provided in this title, a person must have a salesperson license or contractor license whenever the person sells a home improvement in the State.

(c) This section does not apply to:

(6) a marine contractor licensed under Title 17, Subtitle 3 of the Environment Article; [or]

(7) a person who is selling a home improvement to be performed by a person described in item (4) of this subsection; OR

(8) ON OR BEFORE NOVEMBER 1, 2028, A HOME IMPROVEMENT CONTRACTOR THAT PROVIDES DISASTER MITIGATING SERVICES IF THE HOME IMPROVEMENT CONTRACTOR:

(I) COMPLIES WITH THE REQUIREMENTS OF § 8-501.1 OF THIS TITLE;

(II) IS SUBSTANTIALLY WORKING TOWARD A LICENSE; AND

(III) IF THE HOME IMPROVEMENT CONTRACTOR IS A COMPANY, CORPORATION, OR OTHER ENTITY, FORMED, INCORPORATED, OR REGISTERED IN THE STATE ON OR BEFORE OCTOBER 1, 2026.”.

On page 5, in line 27, strike “**IF**” and substitute “**NOTWITHSTANDING TITLE 14, SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE, IF**”; in line 29, after “**CONTRACT**” insert “**:**”

(I) IF THE OWNER IS UNDER THE AGE OF 65 YEARS,”;

and in line 30, after “**CONTRACT**” insert “**;** **OR**

(II) IF THE OWNER IS AT LEAST 65 YEARS OLD, WITHIN 7 DAYS AFTER ENTERING INTO THE CONTRACT”;

and strike line 33 in its entirety and substitute “**FAIR AND REASONABLE VALUE OF THE NECESSARY WORK PERFORMED UNDER THE CONTRACT PRIOR TO THE OWNER RESCINDING THE CONTRACT.”.**

On page 6, strike beginning with “**AN**” in line 6 down through the second period in line 7 and substitute “**THE FAIR AND REASONABLE VALUE OF THE NECESSARY WORK PERFORMED UNDER THE CONTRACT PRIOR TO THE OWNER RESCINDING THE CONTRACT.”.**”; in line 21, after “**COUNTY**” insert “**OR THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY**”; and after line 25, insert:

“Article – Insurance

27-407.2.

It is a fraudulent insurance act for a contractor offering home repair or remodeling services for damages to a private residence, to directly or indirectly pay or otherwise compensate an insured, or offer or promise to pay or compensate an insured[, with the intent to defraud an insurer.] for any part of the insured’s deductible under the insured’s property or casualty insurance policy, if payment for the services will be made from the proceeds of the policy.

27-407.3.

(A) IN THIS SECTION, “CONTRACTOR” HAS THE MEANING STATED IN § 8-101 OF THE BUSINESS REGULATION ARTICLE.

(B) IT IS A FRAUDULENT INSURANCE ACT FOR A CONTRACTOR OR PROVIDER OF SERVICES FOR THE REPAIR OR REPLACEMENT OF A RESIDENTIAL STRUCTURE TO PROVIDE A PAYMENT, REFERRAL FEE, REBATE, GIFT, OR ANYTHING OF VALUE TO AN INSURED OR A CLAIMANT IN CONNECTION WITH A CLAIM.

(C) NOTHING IN THIS SECTION PROHIBITS A CONTRACTOR FROM PAYING A REFERRAL FEE OR COMMISSION TO ANOTHER CONTRACTOR OR BUSINESS ENTITY.”.