

HOUSE BILL 1351

C2
HB 1348/25 – ECM

6lr1622
CF SB 929

By: **Delegates Amprey ~~and Ruff~~, Ruff, and Bhandari**

Introduced and read first time: February 12, 2026

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2026

CHAPTER _____

1 AN ACT concerning

2 **Home Improvement Contractors – Disaster Mitigation Services and Fraudulent**
3 **Insurance Acts – Regulation and Prohibition**

4 FOR the purpose of altering the definition of “home improvement” to include the provision
5 of certain disaster mitigation services for purposes of licensing and regulation of
6 home improvement contractors; exempting certain home improvement contractors
7 from certain home improvement contractor licensing requirements in certain
8 instances; authorizing a certain owner to rescind a home improvement contract for
9 disaster mitigation services under certain circumstances; authorizing the governing
10 body of a county to impose certain limitations on in-person solicitation of a victim of
11 a disaster by a contractor offering disaster mitigation services; repealing a certain
12 intent requirement for a certain fraudulent insurance act; establishing that it is a
13 fraudulent insurance act for a certain person to provide a payment, referral fee,
14 rebate, gift, or anything of value to a certain person in connection with a claim for
15 the repair or replacement of a residential structure; and generally relating to
16 solicitation following a disaster.

17 BY repealing and reenacting, with amendments,

18 Article – Business Regulation

19 Section 8–101, ~~8–301(c)(6) and (7)~~, and 8–501(c)(1)(viii) and (ix)

20 Annotated Code of Maryland

21 (2024 Replacement Volume and 2025 Supplement)

22 BY adding to

23 Article – Business Regulation

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 Section 8–301(c)(8), 8–501(c)(1)(x), 8–501.1, and 8–507
2 Annotated Code of Maryland
3 (2024 Replacement Volume and 2025 Supplement)

4 BY repealing and reenacting, without amendments,
5 Article – Business Regulation
6 Section 8–301(a) and (b) and 8–501(c)(2) and (3) and (f)
7 Annotated Code of Maryland
8 (2024 Replacement Volume and 2025 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 27–407.2
12 Annotated Code of Maryland
13 (2017 Replacement Volume and 2025 Supplement)

14 BY adding to
15 Article – Insurance
16 Section 27–407.3
17 Annotated Code of Maryland
18 (2017 Replacement Volume and 2025 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

21 **Article – Business Regulation**

22 8–101.

23 (a) In this title the following words have the meanings indicated.

24 (b) “Commission” means the Maryland Home Improvement Commission.

25 (c) “Contractor” means a person, other than an employee of an owner, who
26 performs or offers or agrees to perform a home improvement for an owner.

27 (d) “Contractor license” means a license issued by the Commission to act as a
28 contractor.

29 **(E) “DISASTER MITIGATION SERVICES” INCLUDES:**

30 **(1) BOARDING UP WINDOWS OR DOORS TO SECURE A BUILDING;**

31 **(2) DEMOLITION OF A STRUCTURE TO PREVENT FURTHER DAMAGE;**

32 **(3) SETTING WATER MITIGATION EQUIPMENT;**

1 **(4) TARPING OR CAULKING A ROOF OR BUILDING AFTER DAMAGE;**
2 **AND**

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

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

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

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

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

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

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

16 (2) “Home improvement” includes:

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

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

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

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

27 (v) work done on individual condominium units;

28 **(VI) WORK DONE ON TREES, INCLUDING REMOVAL SERVICES;**

29 **AND**

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

1 (3) “Home improvement” does not include:

2 (i) construction of a new home;

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

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

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

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

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

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

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

17 (2) “License” includes:

18 (i) a contractor license; and

19 (ii) a salesperson license.

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

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

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

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

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

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

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

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

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

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

9 8-301.

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

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

14 (c) This section does not apply to:

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

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

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

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

24 (II) IS SUBSTANTIALLY WORKING TOWARD A LICENSE; AND

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

28 8-501.

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

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

- 3 1. each contractor must be licensed by the Commission; and
4 2. anyone may ask the Commission about a contractor; [and]

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

- 6 1. specifies the protections available to consumers through
7 the Commission; and
8 2. advises the consumer of the right to purchase a
9 performance bond for additional protection against loss; AND

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

13 (2) If payment for work performed under the home improvement contract
14 will be secured by an interest in residential real estate, a written notice in not smaller than
15 10 point bold type that is on the first page of the contract shall state in substantially the
16 following form: "This contract creates a mortgage or lien against your property to secure
17 payment and may cause a loss of your property if you fail to pay the amount agreed upon.
18 You have the right to consult an attorney. You have the right to rescind this contract within
19 3 business days after the date you sign it by notifying the contractor in writing that you are
20 rescinding the contract."

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

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

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

33 **8-501.1.**

1 (A) (1) ~~IF~~ NOTWITHSTANDING TITLE 14, SUBTITLE 3 OF THE
2 COMMERCIAL LAW ARTICLE, IF A HOME IMPROVEMENT CONTRACTOR SOLICITS AN
3 OWNER AND THE OWNER SIGNS A CONTRACT FOR DISASTER MITIGATING SERVICES,
4 THE OWNER MAY RESCIND THE CONTRACT:

5 (I) IF THE OWNER IS UNDER THE AGE OF 65 YEARS, WITHIN 5
6 DAYS AFTER ENTERING INTO THE CONTRACT; OR

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

9 (2) AN OWNER THAT RESCINDS A HOME IMPROVEMENT CONTRACT IN
10 ACCORDANCE WITH THIS SECTION MAY NOT BE REQUIRED TO PAY MORE THAN THE
11 ~~AMOUNT INDICATED AND INITIALED BY THE OWNER, IN THE CONTRACT.~~ FAIR AND
12 REASONABLE VALUE OF THE NECESSARY WORK PERFORMED UNDER THE CONTRACT
13 PRIOR TO THE OWNER RESCINDING THE CONTRACT.

14 (B) A HOME IMPROVEMENT CONTRACT FOR DISASTER MITIGATION
15 SERVICES SHALL:

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

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

20 “DURING THE FIRST 5 DAYS AFTER THIS CONTRACT IS SIGNED, THE OWNER
21 HAS THE RIGHT TO RESCIND THE CONTRACT AND BE LIABLE ONLY FOR ~~AN AMOUNT~~
22 ~~NOT TO EXCEED \$_____ (FILL IN AMOUNT) AND _____ (OWNER INITIALS).”~~ THE
23 FAIR AND REASONABLE VALUE OF THE NECESSARY WORK PERFORMED UNDER THE
24 CONTRACT PRIOR TO THE OWNER RESCINDING THE CONTRACT.”

25 8-507.

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

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

28 (2) REQUIRES EMERGENCY RESPONSE SERVICES.

29 (B) THIS SECTION DOES NOT APPLY TO A CONTRACTOR, OR A PERSON
30 ACTING ON BEHALF OF A CONTRACTOR, WHO IS ENGAGED IN AN ONGOING BUSINESS
31 RELATIONSHIP, OTHER THAN MERE SOLICITATION, WITH A VICTIM OF A DISASTER
32 BEFORE THE DISASTER OCCURS.

1 (C) FOR PURPOSES OF THIS SECTION, THE EXISTENCE OF A DISASTER IS
 2 NOT CONTINGENT ON THE DECLARATION OF A STATE OF EMERGENCY BY THE
 3 FEDERAL GOVERNMENT OR THE GOVERNOR UNDER § 14-107 OF THE PUBLIC
 4 SAFETY ARTICLE, OR A LOCAL DISASTER DECLARATION AS DEFINED UNDER §
 5 14-110.5 OF THE PUBLIC SAFETY ARTICLE.

6 (D) THE GOVERNING BODY OF A COUNTY OR THE MAYOR AND CITY
 7 COUNCIL OF BALTIMORE CITY MAY IMPOSE LIMITATIONS ON
 8 IN-PERSON SOLICITATION OF A VICTIM OF A DISASTER BY A CONTRACTOR
 9 OFFERING DISASTER MITIGATION SERVICES, INCLUDING LIMITATIONS ON THE
 10 HOURS DURING WHICH AND AREAS WITHIN WHICH IN-PERSON SOLICITATION MAY
 11 OCCUR.

12 Article – Insurance

13 27-407.2.

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

20 27-407.3.

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

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

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 30 October 1, 2026.