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Baltimore County

Appropriations Committee



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## *The Maryland House of Delegates*

ANNAPOLIS, MARYLAND 21401

### **Testimony in Support of HB 917 Business Regulation – Home Improvement Commission – Award Limits**

Testimony of Delegate Cathi Forbes  
Hearing February 25, 2022 at 1:00 pm  
Economic Matters

#### ***What this bill does***

This bill would increase the amount a homeowner can recover from the Maryland Home Improvement Commission (MHIC) Guaranty Fund from \$20,000 to \$30,000.

#### ***Background on the Guaranty Fund***

The Maryland Home Improvement Commission administers a Guaranty Fund which exists to reimburse homeowners for the actual loss caused by a licensed contractor who performs a home improvement job in an unworkmanlike, incorrect, or incomplete manner, or who abandons a home improvement job. The Guaranty Fund is funded from part of the licensing fees charged to contractors when they are initially licensed, and each time they renew their license.

In 2000, the amount a homeowner could recover increased from \$10,000 to \$15,000.

In 2008 the amount a homeowner could recover increased from \$15,000 to \$20,000.

#### ***Who benefits from this bill***

Homeowners who can show actual loss from poor work performed will be closer to being made whole.

#### ***Why you should vote for this bill***

With the costs of an average bathroom renovation estimated to be between \$12,000-\$30,000 and a kitchen renovation between \$15,000-\$50,000 this bill will add protection for homeowners who choose MHIC licensed contractors.

I ask for a favorable report.

Thank you.

