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THE SENATE OF MARYLAND
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March 3, 2022

The Senate Education, Health, and Environmental Affairs Committee
The Honorable Paul G. Pinsky
2 West Miller Senate Building
Annapolis, MD, 21401

Re: SB 467 - Business Regulation - Home Improvement Commission - Award Limits

Dear Chairman Pinsky and members of the Committee,

Under current Maryland law, a homeowner may recover compensation from the Home Improvement Guaranty Fund for an actual loss that results from an act or omission by a licensed home improvement contractor, as found by the Maryland Home Improvement Commission (MHIC) or a court of competent jurisdiction. Following a valid claim under current Maryland law, MHIC may not award from the fund: more than \$20,000 to one claimant for acts or omissions of one contractor.

Senate Bill 467 simply raises the maximum possible amount awarded by the MHIC from \$20,000 to \$30,000. The maximum amount permitted from the guaranty fund hasn't been raised since 2008, and inflation since then has risen by 30%. Furthermore, the MHIC fund has a balance in excess of \$3 million.

Senate Bill 467 is a needed change that not only keeps pace with inflation but will also not inhibit MHIC funds.

I appreciate the Committee's consideration of Senate Bill 467 and would be happy to answer any questions the Committee may have.