

PAUL D. CORDERMAN
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Frederick and Washington Counties

Budget and Taxation Committee

Subcommittees

Capital Budget

Education, Business and Administration



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 28, 2023

House Economic Matters Committee
Chairman C.T. Wilson
Vice Chair Brian M. Crosby
House Office Building
Room 231
Annapolis, MD 21401

Testimony in Support of Senate Bill SB 429 – Business Regulation – Home Improvement Commission – Award Limits

Chairman Wilson, Vice Chair Crosby, & Members of the Economic Matters Committee,

Thank you for the opportunity to present this bill before you today. SB 429 is about consumer protection and safety. The Maryland Home Improvement Commission administers a Guaranty Fund, which exists to reimburse homeowners for the actual loss caused by a licensed contractor who performed a home improvement job in an incorrect or incomplete manner, or who abandoned a home improvement job. The Fund is supported by licensed contractors, who pay a Guaranty Fund assessment when they obtain their home improvement license and each time they renew the license.

Last year, the Maryland General Assembly passed legislation that increased the maximum payout to homeowners from \$20,000 to \$30,000. Currently, the maximum amount that the Fund will pay on behalf of the same contractor is \$100,000 to all claimants. SB 429 would increase this amount from \$100,000 to \$250,000 (which is outlined in the amendment) in order to provide coverage to more consumers who have been negatively impacted by the same contractor. Additionally, the amended version will alter the mandatory guarantee fund assessment trigger from \$250,000 to \$1 million to better ensure the fund remains solvent to pay out claims.

Thank you for your consideration and I respectfully ask for a favorable report on SB 429.

Sincerely,

A handwritten signature in blue ink that reads "Paul D. Corderman".

Paul D. Corderman
District 2 – Washington & Frederick Counties