



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF MONTGOMERY COUNTY DELEGATION
HB 821 – Montgomery County-New Single Family Residential Real Property Sales
Contract Requirement (MC17-23)
SUPPORT

Greetings Chair Kumar Barve, Vice-Chair Dana Stein, and members of the Environment and Transportation Committee:

Inexperienced or poor-quality home contractors can be costly for homeowners -

https://www.youtube.com/watch?v=gbI9_QFIgmA.

In 2022, according to insurance firm, Hippo, homeowners spent an average of \$6,000 on maintenance and repairs on their home. Advice from chief customer officer, Angie Hicks from Angi's List is that homeowners should annually save between 1% to 3% of their home's purchase price to cover home improvements, maintenance, and repairs.

According to Redfin, with the median selling price for a home at \$393,756, the annual amount to save is \$3,937. For some of us, this is a lot of money to spend on a home repair that may not be done properly.

When a constituent began to do some home renovations and wanted to know who had done the original work, he learned that the builder who happened to still be around no longer maintained the list of contractors because the home warranty ended.

So, what could be done? After doing some research, I found in Maryland statute, for *custom homes*, under Real Property, Section 10-506, "Your builder is required by law to give you periodic reports that list the subcontractors, suppliers, and materialmen who have provided more than \$500 of goods or services to your custom home and indicate whether they have been paid.", I thought a remedy for the average homeowner was easy.

HB 821 which has an amendment to be a statewide bill requires a new homeowner to obtain at settlement the list of contractors who provided work on their home which is information that is known at settlement. This is an one-time request to enable homeowners, especially after warranties have ended to make informed choices about an important and costly expenditure for the average home owner.

I seek a favorable recommendation for HB 821 which gives the average homeowner greater transparency about their most important investment.