

February 13, 2025

The Honorable Pam Beidle
Chair, Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE – Letter of Opposition SB578 - Business Regulation - Home Improvement Guaranty Fund - Alterations

Dear Chair Biedle:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Business Regulation - Home Improvement Guaranty Fund - Alterations. MBIA **Opposes** the Act in its current version.

SB578 would authorize the Maryland Home Improvement Commission to award a claimant a certain amount for attorney's fees from the Home Improvement Guaranty Fund; and altering the content in a final court judgment or final award in arbitration that a claimant must provide to the Commission to claim payment.

The industry has concerns about the proposal given the unintended consequences that could come from some of the potential changes. The alterations proposed in SB598 do not seem necessary, are their current issues with the structure and make up of the fund? The bill calls for an increase in the balance level of the guaranty fund, up from \$250,000 to \$1 million. That's a significant increase and can only be achieved through increasing the fee amount. The bill also decreases the amount a claimant may be awarded from the fund, \$30,000 down from \$50,000, and also removes the allowance for the commission to award from the fund amounts for attorney fees and court costs amongst other items.

For the reasons stated above, we would ask the committee to give the proposal a UN Favorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Finance Committee