

HOUSE BILL 1351

C2
HB 1348/25 – ECM

6lr1622
CF SB 929

By: **Delegates Amprey and Ruff**
Introduced and read first time: February 12, 2026
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Home Improvement Contractors – Disaster Mitigation Services and Fraudulent Insurance Acts –**
3 **Regulation**
4 **and Prohibition**

4 FOR the purpose of altering the definition of “home improvement” to include the provision
5 of certain disaster mitigation services for purposes of licensing and regulation of
6 home improvement contractors; authorizing a certain owner to rescind a home
7 improvement contract for disaster mitigation services under certain circumstances;
8 authorizing the governing body of a county to impose certain limitations on
9 in-person solicitation of a victim of a disaster by a contractor offering disaster
10 mitigation services; repealing a certain intent requirement for a certain fraudulent
insurance act; establishing that it is a fraudulent insurance act for a certain person to
offer payment for a referral to a certain person for the repair or replacement of a
residential structure; and generally relating to solicitation following a disaster.

11 BY repealing and reenacting, with amendments,
12 Article – Business Regulation
13 Section 8–101 and 8–501(c)(1)(viii) and (ix)
14 Annotated Code of Maryland
15 (2024 Replacement Volume and 2025 Supplement)

16 BY adding to
17 Article – Business Regulation
18 Section 8–501(c)(1)(x), 8–501.1, and 8–507
19 Annotated Code of Maryland
20 (2024 Replacement Volume and 2025 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – Business Regulation
23 Section 8–501(c)(2) and (3) and (f)
24 Annotated Code of Maryland
25 (2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article - Insurance
Section 27-407.2
Annotated Code of Maryland
(2017 Replacement Volume and 2025 Supplement)

BY adding to
Article - Insurance
Section 27-407.3
Annotated Code of Maryland
(2017 Replacement Volume and 2025 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

2 REPRINT OF HOUSE BILL 1351 as amended by HB1351/563226/1 02/26/26 at 8:49 AM

1 **Article – Business Regulation**

2 8–101.

3 (a) In this title the following words have the meanings indicated.

4 (b) “Commission” means the Maryland Home Improvement Commission.

5 (c) “Contractor” means a person, other than an employee of an owner, who
6 performs or offers or agrees to perform a home improvement for an owner.

7 (d) “Contractor license” means a license issued by the Commission to act as a
8 contractor.

9 **(E) “DISASTER MITIGATION SERVICES” INCLUDES:**

10 **(1) BOARDING UP WINDOWS OR DOORS TO SECURE A BUILDING;**

11 **(2) DEMOLITION OF A STRUCTURE TO PREVENT FURTHER DAMAGE;**

12 **(3) SETTING WATER MITIGATION EQUIPMENT;**

13 **(4) TARPING OR CAULKING A ROOF OR BUILDING AFTER DAMAGE;**

14 **AND**

15 **(5) SECURING A WALL OR ROOF TO PREVENT FURTHER DAMAGE.**

16 **[(e) (F) “Fund” means the Home Improvement Guaranty Fund.**

17 **[(f) (G) “Hearing board” means a home improvement hearing board appointed**
18 **by the Commission under § 8–313 of this title.**

19 **[(g) (H) (1) “Home improvement” means:**

20 (i) **1.** the addition to or alteration, conversion, improvement,
21 modernization, remodeling, repair, or replacement of a building or part of a building that
22 is used or designed to be used as a residence or dwelling place or a structure adjacent to
23 that building; or

24 **[(ii) 2.** an improvement to land adjacent to the building; **OR**

25 **(II) THE PROVISION OF DISASTER MITIGATION SERVICES FOR A**
26 **BUILDING OR PART OF A BUILDING THAT IS USED OR DESIGNED TO BE USED AS A**
27 **RESIDENCE OR DWELLING PLACE OR A STRUCTURE ADJACENT TO THAT BUILDING.**

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1 (2) “Home improvement” includes:

2 (i) construction, improvement, or replacement, on land adjacent to
3 the building, of a driveway, fall-out shelter, fence, garage, landscaping, deck, pier, porch,
4 or swimming pool;

5 (ii) a shore erosion control project, as defined under § 8-1001 of the
6 Natural Resources Article, for a residential property;

7 (iii) connection, installation, or replacement, in the building or
8 structure, of a dishwasher, disposal, or refrigerator with an icemaker to existing exposed
9 household plumbing lines;

10 (iv) installation, in the building or structure, of an awning, fire
11 alarm, or storm window; ~~and~~

12 (v) work done on individual condominium units

(VI) WORK DONE ON TREES, INCLUDING REMOVAL SERVICES; AND

**(VII) WATER REMEDIATION SERVICES THAT RESTORE, CLEAN, SANITIZE, OR RETURN A
PROPERTY TO BE SAFE AND HABITABLE.**

13 (3) “Home improvement” does not include:

14 (i) construction of a new home;

15 (ii) work done to comply with a guarantee of completion for a new
16 building project;

17 (iii) connection, installation, or replacement of an appliance to
18 existing exposed plumbing lines that requires alteration of the plumbing lines;

19 (iv) sale of materials, if the seller does not arrange to perform or does
20 not perform directly or indirectly any work in connection with the installation or application
21 of the materials;

22 (v) work done on apartment buildings that contain four or more
23 single-family units; or

24 (vi) work done on the commonly owned areas of condominiums.

25 **[(h)] (I)** “Home improvement contract” means an oral or written agreement
26 between a contractor and owner for the contractor to perform a home improvement.

27 **[(i)] (J)** (1) “License” means, except where it refers to a license other than
28 one issued under this title, a license issued by the Commission.

29 (2) “License” includes:

30 (i) a contractor license; and

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1 (ii) a salesperson license.

2 **[(j)] (K)** “Licensed contractor” means a person who is licensed by the
3 Commission to act as a contractor.

4 **[(k)] (L)** “Owner” includes a homeowner, tenant, or other person who buys,
5 contracts for, orders, or is entitled to a home improvement.

6 **[(l)] (M)** “Salesperson” means a person who sells a home improvement.

7 **[(m)] (N)** “Salesperson license” means a license issued by the Commission to sell
8 a home improvement.

9 **[(n)] (O)** “Sell a home improvement” means:

10 (1) to negotiate or offer to negotiate a home improvement contract with an
11 owner; or

12 (2) to seek to get a home improvement contract from an owner.

13 **[(o)] (P)** “Subcontractor” means a person, other than a laborer or supplier of
14 materials, who makes an oral or written agreement with:

15 (1) a contractor to perform all or part of a home improvement contract; or

16 (2) another subcontractor to perform all or part of a subcontract to a home
17 improvement contract.

18 8-501.

19 (c) (1) In addition to any other matters on which the parties lawfully agree,
20 each home improvement contract shall contain:

21 (viii) a notice that gives the telephone number and website of the
22 Commission and states that:

23 1. each contractor must be licensed by the Commission; and

24 2. anyone may ask the Commission about a contractor; **[and]**

25 (ix) a notice set by the Commission by regulation that:

26 1. specifies the protections available to consumers through
27 the Commission; and

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1 2. advises the consumer of the right to purchase a
2 performance bond for additional protection against loss; AND

3 **(X) IF THE CONTRACT IS FOR THE PROVISION OF DISASTER**
4 **MITIGATION SERVICES, NOTICE OF THE OWNER'S RIGHT TO RESCIND THE CONTRACT**
5 **UNDER § 8-501.1 OF THIS SUBTITLE.**

6 (2) If payment for work performed under the home improvement contract
7 will be secured by an interest in residential real estate, a written notice in not smaller than
8 10 point bold type that is on the first page of the contract shall state in substantially the
9 following form: "This contract creates a mortgage or lien against your property to secure
10 payment and may cause a loss of your property if you fail to pay the amount agreed upon.
11 You have the right to consult an attorney. You have the right to rescind this contract within
12 3 business days after the date you sign it by notifying the contractor in writing that you are
13 rescinding the contract."

14 (3) The notice under paragraph (2) of this subsection shall be
15 independently initialed by the homeowner.

16 (f) (1) Except as provided in paragraph (2) of this subsection, a home
17 improvement contract for the installation of a solar energy generating system on the roof
18 of a building shall include the installation of a barrier that meets industry standards to
19 prevent wildlife intrusion and damage to the solar energy generating system or the
20 underlying roof.

21 (2) A home improvement contract for the installation of a solar energy
22 generating system on the roof of a building is not required to include the installation of a
23 barrier as specified under paragraph (1) of this subsection if the customer has waived the
24 installation of the barrier after being informed of the cost of the barrier and the risks of not
25 installing a wildlife barrier.

26 **8-501.1.**

27 **(A) (1) IF A HOME IMPROVEMENT CONTRACTOR SOLICITS AN OWNER AND**
28 **THE OWNER SIGNS A CONTRACT FOR DISASTER MITIGATING SERVICES, THE OWNER**
29 **MAY RESCIND THE CONTRACT WITHIN 5 DAYS AFTER ENTERING INTO THE**
30 **CONTRACT.**

31 **(2) AN OWNER THAT RESCINDS A HOME IMPROVEMENT CONTRACT IN**
32 **ACCORDANCE WITH THIS SECTION MAY NOT BE REQUIRED TO PAY MORE THAN THE**
33 **AMOUNT INDICATED AND INITIALED BY THE OWNER, IN THE CONTRACT, FAIR AND REASONABLE VALUE OF THE**
NECESSARY WORK PERFORMED UNDER THE CONTRACT PRIOR TO THE OWNER RESCINDING THE CONTRACT.

34 **(B) A HOME IMPROVEMENT CONTRACT FOR DISASTER MITIGATION**
35 **SERVICES SHALL:**

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1 (1) COMPLY WITH THE REQUIREMENTS OF § 14-302 OF THE
2 COMMERCIAL LAW ARTICLE; AND

3 (2) INCLUDE THE FOLLOWING LANGUAGE, WHICH SHALL BE
4 INITIALED BY THE OWNER:

5 “DURING THE FIRST 5 DAYS AFTER THIS CONTRACT IS SIGNED, THE OWNER
6 HAS THE RIGHT TO RESCIND THE CONTRACT AND BE LIABLE ONLY FOR ~~AN AMOUNT~~
7 ~~NOT TO EXCEED \$ (FILL IN AMOUNT) AND (OWNER INITIALS).” THE FAIR AND REASONABLE~~
8 VALUE OF THE NECESSARY WORK PERFORMED UNDER THE CONTRACT PRIOR TO THE OWNER RESCINDING THE
9 CONTRACT.”.

8 8-507.

9 (A) IN THIS SECTION, “DISASTER” MEANS A SERIOUS EVENT THAT:

10 (1) CAUSES HARM TO A HOME, BUILDING, OR OTHER STRUCTURE; AND

11 (2) REQUIRES EMERGENCY RESPONSE SERVICES.

12 (B) THIS SECTION DOES NOT APPLY TO A CONTRACTOR, OR A PERSON
13 ACTING ON BEHALF OF A CONTRACTOR, WHO IS ENGAGED IN AN ONGOING BUSINESS
14 RELATIONSHIP, OTHER THAN MERE SOLICITATION, WITH A VICTIM OF A DISASTER
15 BEFORE THE DISASTER OCCURS.

16 (C) FOR PURPOSES OF THIS SECTION, THE EXISTENCE OF A DISASTER IS
17 NOT CONTINGENT ON THE DECLARATION OF A STATE OF EMERGENCY BY THE
18 FEDERAL GOVERNMENT OR THE GOVERNOR UNDER § 14-107 OF THE PUBLIC
19 SAFETY ARTICLE, OR A LOCAL DISASTER DECLARATION AS DEFINED UNDER §
20 14-110.5 OF THE PUBLIC SAFETY ARTICLE.

21 (D) THE GOVERNING BODY OF A COUNTY OR THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY
22 MAY IMPOSE LIMITATIONS ON
23 IN-PERSON SOLICITATION OF A VICTIM OF A DISASTER BY A CONTRACTOR
24 OFFERING DISASTER MITIGATION SERVICES, INCLUDING LIMITATIONS ON THE
25 HOURS DURING WHICH AND AREAS WITHIN WHICH IN-PERSON SOLICITATION MAY
OCCUR.

Article - Insurance

27-407.2.

It is a fraudulent insurance act for a contractor offering home repair or
remodeling services for damages to a private residence, to directly or indirectly
pay or otherwise compensate an insured, or offer or promise to pay or compensate an
insured, with the intent to defraud an insurer, for any part of the insured's
deductible under the insured's property or casualty insurance policy, if payment for
the services will be made from the proceeds of the policy.

27-407.3.

(A) IN THIS SECTION, “CONTRACTOR” HAS THE MEANING STATED IN § 8-101 OF THE
BUSINESS REGULATION ARTICLE.

(B) IT IS A FRAUDULENT INSURANCE ACT FOR A PERSON THAT IS NOT AN INSURER OR
AN INSURER'S AGENT TO OFFER PAYMENT FOR A REFERRAL TO A CONTRACTOR OR PROVIDER OF
SERVICES FOR THE REPAIR OR REPLACEMENT OF A RESIDENTIAL STRUCTURE.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2026.