

During the 2008 legislative session, the General Assembly enacted the following laws that affect home builders. Copies of the new laws may be viewed at the General Assembly's website, <http://mlis.state.md.us>:

**House Bill 1557 (Chapter 481)/Senate Bill 1008 (Chapter 480)
Home Builder Sales Representatives and Guaranty Fund**

During the 2007 session, the General Assembly passed legislation that requires sales agents for home builders to be licensed as real estate agents by the Real Estate Commission. Effective October 1, 2008, home builder sales representatives will no longer be required to be licensed real estate agents. Instead, sales representatives will be required to register with the Consumer Protection Division's Home Builder Registration Unit, which will be renamed the Home Builder and Home Builder Sales Representative Registration Unit. Each sales representative will be required to complete a registration form to be made available by the Unit and pay a \$200 registration fee for a 2-year registration.

The General Assembly has also established a Home Builder Guaranty Fund to protect consumers, similar to the fund operated by the Maryland Home Improvement Commission. The Guaranty Fund will be available to consumers who have contracted with a registered home builder and who suffer an "actual loss" due to incomplete construction, breach of warranty, failure to meet standards or guidelines, or failure to return a deposit. Claims against the Guaranty Fund will be limited to \$50,000 per claimant and \$300,000 per builder. The Guaranty Fund applies only to contracts entered into after January 1, 2009.

The Guaranty Fund will be funded through a \$50 fee to be paid with each application for a new home construction permit, which permit offices will begin collecting October 1, 2008. Also, effective October 1, 2008, the registration fee for home builders will return to (1) \$600 for an initial 2-year registration and (2) \$600 for a 2-year renewal for builders who pulled 11 or more permits during the preceding year and \$300 for a 2-year renewal for builders who pulled 10 or fewer permits during the preceding year. The increased registration fee is necessary to cover the costs of administration and enforcement of the Guaranty Fund.

**House Bill 1253 (Chapter 119)
Chesapeake and Atlantic Coastal Bays Critical Areas Law**

This bill amended the Chesapeake and Atlantic Coastal Bays Critical Areas law by making a failure to comply with that law a violation of the Home Builder Registration Act for purposes of considering whether a home builder's registration application should be approved or whether a registration should be revoked or subject to other sanctions. The Home Builder Unit may take action against a builder who fails to comply with the terms of a permit, license or approval or a state or local law within the Chesapeake and Atlantic Coastal Bays Critical Area. The law takes effect July 1, 2008. More information is available at www.dnr.state.md.us/criticalarea