

**Maryland Home Improvement Commission
Public Business Meeting Minutes**

DATE: April 4, 2019

TIME: 10:00 a.m.

PLACE: 500 N. Calvert Street, Baltimore, Maryland 21202

MEMBERS PRESENT: Robert A. Altieri
Lawrence Helminiak
William B. Quackenbush, Jr.
Jeffrey Ross
Michael Shilling
Andrew Snyder
Joseph Tunney, Chair
I Jean White

MEMBERS ABSENT: Sachchida N. Gupta

DLLR OFFICIALS AND
STAFF PRESENT: David R. Finneran, Executive Director
Lance Franklin, Licensing Supervisor
John Hart, Assistant Attorney General
Deborah Irvin-Cromwell, Assistant Executive Director
Kimberly Rosenthal, Administrative Officer

Call to Order

Chair Tunney called the meeting to order at 10:15 a.m.

Approval of the February 7, 2019 Minutes

The Minutes of the February 7, 2019 Commission meeting were approved.

Guaranty Fund Activity Report

The MHIC Guaranty Fund Activity Report dated March 29, 2019 is as follows:

Balance as of July 1, 2018	\$ 2,764,849.77
Receipts	\$ 885,917.55
Interest	-0-
Disbursements	
Claims	(\$618,690.26)
Refunds	(\$7,438.19)
Balance as of January 31, 2019	<u>\$3,024,638.87</u>
Reserve	
Anticipated Large Claims	\$300,000.00
FMIS Balance	\$2,943,418.87
Difference	\$81,220.00

Mr. Altieri asked Mr. Finneran why there was no interest showing for this Guaranty Fund activity report. Mr. Finneran informed Mr. Altieri that he will inquire as to why there is no interest showing on the report and it will be discussed at the June 6, 2019 Commission meeting.

Review of Exam Results

Below is the examination statistics summary for the month of February and March 2019

February 2019

Home Improvement	Candidates			
	Tested	Passed	Failed	Pass %
Contractor	148	100	48	74%
Contractor Spanish	80	43	37	49%
Salesperson	85	65	27	67%
Salesperson Spanish	1	1	20	0%
TOTAL	288	209	105	67%

March 2019

Contractor	192	140	52	73%
Contractor Spanish	89	41	48	46%
Salesperson	110	75	35	68%
Salesperson Spanish	2	1	1	50%
TOTAL	393	257	136	65%

Ms. White asked how long does it take for an individual to get a license. Mr. Finneran explained that it takes a total of one month from the date the test is taken and the application is received and processed at the Commission.

Ms. White asked how successful it is to send a complaint to mediation. Ms. Rosenthal replied that there was about a 50% success rate. Ms. White was pleased to hear about this. Chair Tunney asked if mediation was the same as binding arbitration. Mr. Hart replied that mediation is voluntary and the Commission offers it to the parties as a way to resolve the complaint/claim. The Commission refers the parties to a mediation service that is offered free of charge. However, binding arbitration is different, and if there is an arbitration clause in the contract, then the homeowner is required to arbitrate their claim before it can be processed for an award from the Guaranty Fund. Under the home improvement law the Commission is required to stay the claim against the Guaranty Fund until the arbitration is final with all rights to appeal exhausted. Mr. Hart also mentioned there are places that provide arbitration free of charge such as the Consumer Protection Division in the Office of the Attorney General.

Maryland Home Improvement Stats

January 2019	
LICENSING ACTIVITY	
Current Licenses Total	31,685
<i>Contractor/Salesperson</i>	16,821
<i>Salesperson</i>	3,006
<i>Contractor/Salesperson (Corp/Part)</i>	10,905
<i>Applications Approved</i>	130
<i>Applications Denied</i>	0
COMPLAINTS RECEIVED	
Complaints Received	118
<i>Licensed</i>	78
<i>Unlicensed</i>	40
Pending Show Cause Hearings	30
Waiting to be sent to OAH	43
Pending Hearing/Decision at OAH	74
Mediation	35
CLAIMS	
New Claims Received	32
Total Open Claims	295

February 2019	
LICENSING ACTIVITY	
Current Licenses Total	31,802
<i>Contractor/Salesperson</i>	18,870
<i>Salesperson</i>	2,993
<i>Contractor/Salesperson (Corp/Part)</i>	10,981
<i>Applications Approved</i>	135
<i>Applications Denied</i>	0
COMPLAINTS RECEIVED	
Complaints Received	72
<i>Licensed</i>	43
<i>Unlicensed</i>	29
Pending Show Cause Hearings	40
Waiting to be sent to OAH	32
Pending Hearing/Decision at OAH	61
Mediation	31
CLAIMS	
New Claims Received	33
Total Open Claims	252

Chairperson Tunney asked the Commissioners if they noticed the lack of licensed salesman employed by home improvement companies that are licensed through MHIC. Mr. Tunney suggested that the Commission should include a notice with the renewal for a contractor's license information that states that salesman for the company must be licensed if they are entering into contracts with consumers. Also it should state that there may be a fine if the Commission finds that the salesman for a company isn't licensed. Mr. Finneran agreed.

Mr. Quackenbush thanked Mr. Finneran for his work at the Maryland Home and Garden Show. The show was held on March 2nd through the 3rd and March 8th through the 10th 2019 at the Timonium fairgrounds. Mr. Quackenbush was impressed with how Mr. Finneran went to all the exhibits and made sure that various companies were licensed with the Commission. Mr. Finneran also spoke with various people about the complaint process and the application process. Mr. Quackenbush said that he went to the coordinator of the show and told him that he would like to see the Commission at next year's show.

Maryland Home Improvement Commission Citation Report

Civil Citations February & March 2019

There were no Civil Citations issued in December

FEBRUARY 2019

<i>Citation #</i>	<i>Total \$ Amount</i>	<i>Violations</i>	<i>Investigator</i>	<i>Due Date</i>	<i>Citation Date</i>
691	\$1,000.00	BB-01	Charles Corbin	4/26/2019	2/20/2019

MARCH 2019

<i>Citation #</i>	<i>Total \$ Amount</i>	<i>Violations</i>	<i>Investigator</i>	<i>Due Date</i>	<i>Citation Date</i>
692	\$1,500.00	Y-01	K. Niebuhr	5/19/2019	3/20/2019

Comments from Chair

Chairperson Tunney once again thanked Mr. Finneran on behalf of the Commissioners for his work at the Maryland Home and Garden Show in Timonium. Chair Tunney would like to see more outreach in the future. Mr. Finneran said that he would love to do more outreach.

Comments from the Executive Director

Mr. Finneran informed the Commissioners that Jennifer Grimes, former investigator and Assistant Director with the Commission has returned to the Commission as an Investigator. The Commissioners were pleased to hear this information and look forward to working with Ms. Grimes again. Mr. Finneran also informed the Commissioners that interviews were held for two contractual investigator positions. He is hopeful there will be a full staff soon.

Mr. Finneran informed the Commissioners that under the current agreement with the Central Collection Unit ("CCU") the Commission is to submit cases to CCU for

collections within 30 days of the date the Commission's decision becomes final. Mr. Finneran stated that he and Mr. Hart were in communication with CCU about updating the agreement on file. One of the changes sought was to allow for 90 days to transfer those cases where the contractor holds a bond. This would hopefully allow the Commission more time to collect on the bond and recoup the money awarded from the Guaranty Fund instead of transferring the case to CCU.

Mr. Finneran updated the Commissioners on House Bill 1102, the synopsis of which reads as follows:

Requiring the Maryland Home Improvement Commission to suspend the license of a certain licensee if the licensee is found liable for failing to pay a subcontractor, subject to certain hearing provisions; requiring the license of a certain licensee to remain suspended until the licensee pays a certain amount of a judgment; prohibiting a licensed contractor from surrendering a certain license or allowing a certain license to lapse while the licensee is under a certain suspension except under certain circumstances; etc.

Mr. Finneran informed the Commissioners that the bill received an unfavorable report from the Economic Matters committee and most likely would not be moving forward.

Mr. Finneran updated the Commissioners on Senate Bill 852, the synopsis of which reads as follows:

Altering the definition of "military spouse" to include the surviving spouse of a service member who dies at any time before an application for a license; altering the definition of "veteran" to include former service members who have been discharged for more than 1 year before an application for a license; requiring units of the Department of Labor, Licensing, and Regulation to issue a certain license to certain applicants within 60 days after receiving a completed application; etc.

Mr. Finneran informed the Commissioners that the bill had passed both the House and the Senate.

Mr. Finneran updated the Commissioners on House Bill 22, the synopsis of which reads as follows:

Prohibiting certain departments that issue occupational licenses or certificates from denying an application for a license or certificate based solely on an applicant's criminal history if a period of 7 years or more has passed since the applicant's conviction for any crime and the applicant has not been charged with another crime other than a minor traffic violation; etc.

Mr. Finneran informed the Commissioners that the bill had passed the House and was progressing through the Senate.

Mr. Finneran informed the Commissioners that on July 1, 2019 the Department will change the name from the Department of Labor, Licensing and Regulation (DLLR), to the Department of Labor.

Update on \$100,000 payouts

Mr. Finneran informed the Commissioners the following information:

Contractor

Suspended date

Contractor B

June 16, 2016

Claims period closed December 16, 2017 **Paid in Full 12/4/2018**

12 – Total claims fully adjudicated and awarded a monetary settlement.

Claimants will receive a payment of 59.13% of their monetary awards.

Contractor C

February 1, 2017

Claims period closed August 1, 2018.

Paid in Full 10/4/2018

13 claims fully adjudicated.

Claimants will receive a payment of 93.85% of their monetary awards.

Contractor D

June 29, 2017

22 -- Open complaints

- 20 possible Guaranty Fund cases

Last complaint received July 2018

- 2 unlicensed activity criminal cases

One new unlicensed activity complaint received September 2018.

Final date to accept claims to be set for **January 1, 2019**

Contractor E

June 29, 2017

24 – Open complaints Last complaint received May, 2018

Final date to accept claims to be set for **January 1, 2019**

Contractor F

December 21, 2017

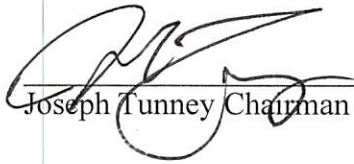
8 – Open complaints Last one received March, 2018

Final date to accept claims to be set for **June 30, 2019**

Mr. Finneran informed the Commission that there are no changes or updates from the previous Commission meeting.

Adjournment

The meeting was adjourned at 11:07 a.m.



Joseph Tunney, Chairman



David Finneran, Executive Director