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

DATE: February 6, 2020

TIME: 10:00 a.m.

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

MEMBERS PRESENT: Robert Altieri
James Berndt
Lawrence Helminiak
Lauren Lake
Joseph Tunney, Chair
I Jean White

MEMBERS ABSENT: William H. McCoy II
Wm. Bruce Quackenbush
Michael Shilling

**DLLR OFFICIALS AND
STAFF PRESENT:** David Finneran, Executive Director
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 10:07 a.m.

Approval of the December 5, 2019 Minutes

Ms. White made a motion to approve the minutes of the December 5, 2019 Commission meeting. Mr. Altieri seconded the motion and all approved the minutes.

Guaranty Fund Activity Report

The MHIC Guaranty Fund Activity Report dated January 24, 2020 is as follows:

| | |
|---------------------------------|-----------------------|
| Balance as of July 1, 2019 | \$ 3,366,195.42 |
| Receipts | \$ 591,831.29 |
| Interest | -0- |
| | |
| Disbursements | |
| Claims | (\$434,090.27) |
| Refunds | (\$5,456.00) |
| Balance as of December 30, 2019 | <u>\$3,518,480.44</u> |
| Reserve | |
| Anticipated Large Claims | \$500,000.00 |
| FMIS Balance | \$3,459,322.1 |
| Difference | \$59,158.34 |

Please note that the "Receipts" amount of \$591,831.29 include Electronic licensing receipts of \$59,158.34 for the month of December that was not posted into FMIS until the month of January 2020.

**Prorated Claims Report - MHIC Business Meeting
2/6/2020**

| <u>Contractor</u> | <u>Suspended date</u> |
|--|--|
| Contractor A Payout completed on March 27, 2018 | June 9, 2015 |
| Contractor B Payout completed on December 6, 2018 | June 16, 2016 |
| Contractor C Payout completed on October 4, 2018 | February 1, 2017 |
| Contractor D Payout completed on January 1, 2019 | June 29, 2017 |
| Contractor E 24 – Complaints Claims date closed as of January 1, 2019 | June 29, 2017 (Emergency Suspended) Latest complaint opened May, 2018 |
| Contractor F Payout completed on September 3, 2019 | December 21, 2017 |

Contractor G
9 – Complaints

May 8, 2019 (voluntary termination)
Latest one opened May 20, 2019
One complaint reopened Nov. 4,
2019

Contractor H
7 – Complaints

June 24, 2019 (Emergency Suspension)
Latest one opened October 29, 2019

Contractor I
5 – Complaints

March 8, 2019 (license expired)
Latest one opened May 20, 2019

Contractor J
12 – Complaints

Dec. 16, 2019 (Emergency Suspension)
Latest complaint opened January 6,
2020

Contractor K
5 – Complaints

Jan. 16, 2020 (show cause suspension)
Latest complaint opened Jan. 22,
2020

Review of Exam Results

Below is the examination statistics summary for the month of December 2019 and
January 2020

December 2019

| Home Improvement | Candidates Tested | Passed | Failed | Pass % |
|-------------------------|------------------------------|---------------|---------------|---------------|
| Contractor | 114 | 87 | 27 | 76% |
| Contractor Spanish | 80 | 37 | 43 | 46% |
| Salesperson | 87 | 62 | 25 | 71% |
| Salesperson Spanish | 0 | 0 | 0 | |
| TOTAL | 281 | 186 | 95 | 66% |

January 2020

| | | | | |
|---------------------|------------|------------|------------|------------|
| Contractor | 157 | 112 | 45 | 71% |
| Contractor Spanish | 89 | 46 | 43 | 52% |
| Salesperson | 94 | 69 | 25 | 73% |
| Salesperson Spanish | 0 | 0 | 0 | |
| TOTAL | 340 | 227 | 113 | 67% |

Mr. Tunney noticed the rate improving in the salesman's examination. Mr. Finneran informed the Commissioners that the MHIC is getting the word out to the companies about getting their salesman licensed.

Maryland Home Improvement Stats

| November 2019 | |
|---|---------------|
| LICENSING ACTIVITY | |
| Current Licenses Total | 32,911 |
| <i>Contractor/Salesperson</i> | 17,356 |
| <i>Salesperson</i> | 2,976 |
| <i>Contractor/Salesperson (Corp/Part)</i> | 11,605 |
| <i>Applications Approved</i> | 127 |
| <i>Applications Denied</i> | 0 |
| COMPLAINTS RECEIVED | |
| Complaints Received | 98 |
| <i>Licensed</i> | 77 |
| <i>Unlicensed</i> | 21 |
| Pending Show Cause Hearings | 68 |
| Waiting to be sent to OAH | 83 |
| Pending Hearing/Decision at OAH | 81 |
| Mediation | 45 |
| CLAIMS | |
| New Claims Received | 21 |
| Total Open Claims | 342 |

| December 2019 | |
|---|---------------|
| LICENSING ACTIVITY | |
| Current Licenses Total | 33,150 |
| <i>Contractor/Salesperson</i> | <i>17,462</i> |
| <i>Salesperson</i> | <i>2,990</i> |
| <i>Contractor/Salesperson (Corp/Part)</i> | <i>11,709</i> |
| <i>Applications Approved</i> | <i>127</i> |
| <i>Applications Denied</i> | <i>0</i> |
| COMPLAINTS RECEIVED | |
| Complaints Received | 71 |
| <i>Licensed</i> | <i>60</i> |
| <i>Unlicensed</i> | <i>11</i> |
| Pending Show Cause Hearings | 72 |
| Waiting to be sent to OAH | 85 |
| Pending Hearing/Decision at OAH | 86 |
| Mediation | 42 |
| CLAIMS | |
| New Claims Received | 28 |
| Total Open Claims | 351 |

Mr. Altieri inquired about the amount of applications approved and why aren't the amounts of the current applicants going up? Mr. Finneran said that it may be that the licensee's license expired during the time the applications were received and approved.

Maryland Home Improvement Commission Citation Report

Civil Citations December 2019 & January 2020

| December 2019 | | | | | |
|----------------------|------------------------|-------------------|---------------------|-----------------|----------------------|
| <i>Citation #</i> | <i>Total \$ Amount</i> | <i>Violations</i> | <i>Investigator</i> | <i>Due Date</i> | <i>Citation Date</i> |
| 710 | \$1,500 | Y01 | K. Niebuhr | 2/17/2020 | 12/19/2019 |

| January 2020 | | | | | |
|---------------------|------------------------|-------------------|---------------------|-----------------|----------------------|
| <i>Citation #</i> | <i>Total \$ Amount</i> | <i>Violations</i> | <i>Investigator</i> | <i>Due Date</i> | <i>Citation Date</i> |
| 689 | \$1,500 | Y-01 | William Banks, Jr. | 3/29/2020 | 1/28/2019 |

Mr. Finneran informed the Commission that the lack of citations is due to the lengthy process.

Comments from the Chair

Mr. Tunney thanked Mr. Altieri for filling in for Mr. Quackenbush in today's hearings. Mr. Finneran said that everyone has been doing a great job.

Comments from the Executive Director

Mr. Finneran informed the Commissioners that MHIC Complaint Secretary, Teneaa Thomas has been informed that the Office of Administrative Hearings (OAH) will not be accepting any more hearing requests until after April 1, 2020 due to a large case load.

Mr. Finneran informed the Commissioners that Senate Bill 116 has been proposed in the 2020 legislative session. SB 116 is the Maryland Home Improvement Commission Sunset Extension allowing MHIC to continue to have funding through the year 2032. Mr. Finneran expects this Bill to move forward.

Mr. Finneran informed the Commissioners of House Bill 770 which is an Act concerning Business Regulation-Home Improvement Contracts-Deposits. This Bill proposes to increase initial home improvement contract deposit limits from 1/3 of contract price to 1/2 of contract price.

Mr. Finneran informed the Commissioners of House Bill 776 which is an Act concerning Home Builders and Home Improvement Contractors, Contract Requirements, Consumer Protection Information. Ms. White feels that this House Bill was drafted because home improvement contractors do not write contracts in accordance with the law. She feels that this injures the Consumer and the Contractor should be educated on how to write a contract.

Mr. Finneran informed the Commissioners that Binita Sharma, MHIC Secretary to the Investigators has taken a new position with a local hospital. Her last day with the Commission was January 31, 2020. The open position will be posted very soon.

Mr. Finneran informed the Commissioners that there is currently a position for Licensing Clerk that is being filled by a temp. This open position will be posted soon.

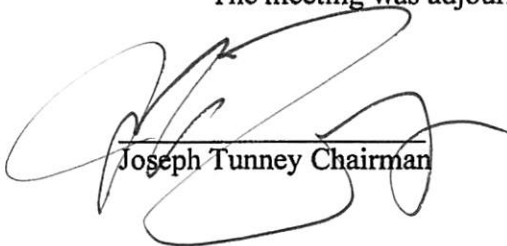
Mr. Finneran informed the Commissioners that the Maryland Home and Garden Show in Timonium will start on February 29, 2020 and run through March 8, 2020. MHIC will staff a booth during the show.

Mr. Finneran informed the Commissioners that he and Ms. Deborah Irvin-Cromwell will have a booth at the Government Agency Expo held at the Department of General Services (DGS) in Baltimore on February 19, 2020.

Mr. Hart informed the Commissioners that he will be leaving as Assistant Attorney General Advice Counsel for the MHIC. The new Assistant Attorney General Advice Counsel will start on February 26, 2020. Mr. Hart will help with training and also he will be at the next Commission meeting with the new Assistant Attorney General. Mr. Hart thanked Mr. Finneran, Ms. Irvin-Cromwell and Ms. Thomas for everything.

Adjournment

The meeting was adjourned at 10:55 a.m.



Joseph Tunney Chairman



David Finneran, Executive Director

RECEIVED
APR 08 2020
BY: