Bill No. 31-18 Concerning: New Home Warranty and Builder Licensing - Amendments Revised: 1/18/2019 Draft No. 9 Introduced: September 18, 2018 Enacted: February 5, 2019 February 14, 2019 Executive: Effective: May 16, 2019 Sunset Date: None 2019 Ch. 1 , Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Rice

AN ACT to:

- (1) require new home builders and new home sellers to register with the Office of Consumer Protection;
- (2) require new home builders and new home sellers to provide buyers with a new home warranty;
- (3) require the Office of Consumer Protection to administer and enforce County law related to new home builders and new home sellers; and
- (4) generally amend County law related to new home builders and new home sellers.

By amending

Montgomery County Code Chapter 2A, Administrative Procedures Act Section 2A-2

By repealing

Chapter 31C, New Home Warranty and Builder Licensing Sections 31C-1, 31C-2, 31C-3, 31C-4, 31C-5, 31C-6, 31C-7, 31C-8, 31C-9, 31C-10, 31C-11, 31C-12, 31C-13, and 31C-14

By adding

Chapter 31C, New Home Builder and Seller Registration and Warranty Sections 31C-1, 31C-2, 31C-3, 31C-4, 31C-5, 31C-6, 31C-7, 31C-8, 31C-9, 31C-10, and 31C-11

Boldface Heading or defined term.

Underlining Added to existing law by original bill.

[Single boldface brackets] Deleted from existing law by original bill.

Double underlining Added by amendment.

[[Double boldface brackets]] Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

Chapter 31C. New Home Builder and Seller Registration and Warranty. 387 31C-1. Definitions. 388 389 390 391 In this Chapter, the following words have the meanings indicated: *Board* means the Board for Registration of Building Contractors. 392 Consumer means a consumer as defined in Chapter 11 or a contract purchaser 393 of a new home for use as a personal family residence or rental. 394 Contract purchaser means a person [[or legal entity]] who has entered into a 395 contract with a new home builder or a new home seller to purchase a new home, 396 but who has not yet settled on the purchase of the new home. 397

386

398	<u>Director</u> means the <u>Director</u> of the <u>Office</u> of <u>Consumer Protection</u> or the						
399	Direc	<u>Director's designee.</u>					
400	<u>Home</u>	eowner or owner means:					
401	<u>(1)</u>	any person for whom a new home is built or to whom a new home is sold					
402		for residential occupation; and					
403	<u>(2)</u>	the successors of that person in title to the home or mortgage in					
404		possession;					
405	<u>Home</u>	eowner does not mean:					
406	<u>(1)</u>	any development company, association, or subsidiary company of the					
407		<u>builder</u> ; <u>or</u>					
408	<u>(2)</u>	a person [[or organization]] to whom the home may be conveyed by the					
409		builder for any purpose other than use by that person [[or organization]].					
410	Load-	-bearing portions of the home means:					
411	<u>(1)</u>	foundation system and footings;					
412	<u>(2)</u>	beams;					
413	<u>(3)</u>	girders;					
414	<u>(4)</u>	<u>lintels;</u>					
415	<u>(5)</u>	columns;					
416	<u>(6)</u>	walls and partitions;					
417	<u>(7)</u>	floor systems; and					
418	<u>(8)</u>	roof framing systems.					
419	<u>Majo</u>	r structural defect means any actual damage to load-bearing portions of					
420	the ho	ome that:					
421	<u>(1)</u>	affects its load-bearing function; and					
422	<u>(2)</u>	vitally affects or is immediately likely to vitally affect use of the home					
423		for residential purposes.					

424	Major structural defect includes damage due to subsidence, expansion, or lateral						
425	movement of the soil. Major structural defect does not include damage caused						
426	by m	by movement of the soil caused by flood or earthquake.					
427	<u>Mary</u>	land Home Builder Guaranty Fund means the Home Builder Guaranty					
428	<u>Fund</u>	in Title 4.5 of the Business Regulation Article of the Maryland Code.					
429	<u>New</u>	home means a newly constructed residential dwelling unit and the fixtures					
430	and s	tructure that are made a part of a newly constructed private dwelling unit					
431	at the	e time of construction. New home includes any detached house, custom					
432	home	as defined in Section 10-501 of the Real Property Article of the Maryland					
433	Code	, townhouse, modular home, condominium unit, or cooperative apartment.					
434	<u>New</u>	home builder or builder means any person[[, sole proprietor, business					
435	organ	organization, or legal entity, including but not limited to, a corporation, limited					
436	<u>liabil</u>	<u>liability</u> <u>corporation</u> , <u>or</u> <u>trust]]:</u>					
437	<u>(1)</u>	that is engaged in the business of erecting, constructing, or otherwise					
438		<u>creating a new home;</u>					
439	<u>(2)</u>	to whom a completed new home is conveyed for resale in the course of					
440		the business of the person [[or business organization]];					
441	<u>(3)</u>	that undertakes to sell a new home in Montgomery County;					
442	<u>(4)</u>	that applies for a building permit to construct a new home in Montgomery					
443		County;					
444	<u>(5)</u>	that is engaged as a general contractor in the business of erecting,					
445		constructing, or otherwise creating a new home; or					
446	<u>(6)</u>	that enters into a contract with a contract purchaser under which the seller					
447		agrees to provide the contract purchaser with a new home.					
448	<u>New</u>	home builder does not include:					
449	<u>(1)</u>	<u>a subcontractor or other vendor hired by a new home builder or a</u>					
450		consumer to perform services or supply materials for the construction of					

451		a new nome if the subcontractor or vendor does not otherwise meet the
452		requirements of this Chapter;
453	<u>(2)</u>	the manufacturer of a residential mobile home, unless the manufacturer
454		also installs the mobile home;
455	<u>(3)</u>	a real estate developer who does not construct or enter into contracts with
456		a consumer to sell or construct new homes;
457	<u>(4)</u>	a financial institution that lends funds for the construction or purchase of
458		residential dwellings in Montgomery County;
459	<u>(5)</u>	a buyer's agent when representing a prospective buyer in the purchase of
460		<u>a new home; or</u>
461	<u>(6)</u>	<u>a person who is conducting a foreclosure sale.</u>
462	<u>New l</u>	nome seller or seller means a person[[, sole proprietor, or legal entity]] that:
463	<u>(1)</u>	has legal title to the property on which the new home is constructed; and
464	<u>(2)</u>	is the person [[or legal entity]] listed on the sales contract with the
465		contract purchaser to whom the property and new home are being sold
466		and conveyed.
467	<u>New</u>	<u>home</u> <u>seller</u> <u>includes</u> <u>a</u> <u>corporation</u> , <u>limited</u> <u>liability</u> [[corporation]]
468	comp	any, or trust.
469	<u>Office</u>	e means the Office of Consumer Protection.
470	<u>Perso</u>	n has the same meaning as in Section 1-302.
471	<u>Warre</u>	anty date means the first day that the homeowner occupies or settles on the
472	<u>new h</u>	ome, whichever first occurs.
473	31C-2. App	<u>licability</u> of Chapter.
474	<u>(a)</u>	This Chapter applies only to construction work under the building code
475		and laws of the County and [[state]] State.
476	<u>(b)</u>	This Chapter does not apply to a person who constructs a building that is
477		to be occupied as a personal residence for use of that person, if the person:

478		<u>(1)</u>	receives a waiver from the Office to apply for and obtain any					
479			permits from the Montgomery County Department of Permitting					
480			Services to construct a new home without being registered as a new					
481			home builder or a new home seller;					
482		<u>(2)</u>	signs a statement affirming that any permits issued by the					
483			Department of Permitting Services are issued solely for the					
484			purpose of that person performing work on that person's own					
485			property; and					
486		<u>(3)</u>	signs a statement that the work for which the permit is issued is for					
487			that person.					
488	31C-3. Con	nplian	ce with building code generally; building permits.					
489	<u>(a)</u>	<u>Comp</u>	Compliance with building code. This Chapter does not exempt any					
490		const	construction work in the County from the requirement that it comply with					
491		the b	the building code.					
492	<u>(b)</u>	Building permits. The Department of Permitting Services must not issue						
493		any b	any building permit for a residence to any new home builder or new home					
494		seller	who is not registered with the Office under this Chapter.					
495	<u>(c)</u>	<u>Certi</u>	ficate of inspection. A new home builder and new home seller must					
496		provi	de to a contract purchaser at the time of occupancy or settlement,					
497		which	hever first occurs, a statement signed by the builder and seller, that					
498		all Co	ounty-required inspections have been performed.					
499	31C-4. Boa	rd of I	Registration.					
500	<u>(a)</u>	<u>Appo</u>	<u>intment of Board.</u>					
501		<u>(1)</u>	There is a Board of Registration.					
502		<u>(2)</u>	The Board consists of 5 members appointed by the County					
503			Executive and confirmed by the County Council.					

504		(3) No more than 2 members of the Board may be active in the
505		residential construction field at the time of their appointment.
506	<u>(b)</u>	Term. The term for each member is 3 years. A vacancy is filled for the
507		remainder of the unexpired term. Unless a member is removed for good
508		cause, each member holds office until the term of the member expires or
509		a successor is appointed and confirmed.
510	<u>(c)</u>	The Director may designate up to 2 Office employees as ex officio,
511		nonvoting members to promote coordination with the Office's activities.
512	<u>(d)</u>	Operation of the Board; powers and duties of the Board.
513		(1) The Board must elect from its members a chairperson,
514		vice-chairperson, and any other officers it deems necessary.
515		(2) The Board must:
516		(A) make recommendations to the Director whether a
517		registration applicant, including a renewal applicant, should
518		be registered with the Office;
519		(B) put its recommendations in writing; and
520		(C) by July 1 each year, submit an annual report of its
521		proceedings to the Director.
522	<u>(e)</u>	The County Attorney or the County Attorney's designee serves as
523		counsel to the Board.
524	<u>(f)</u>	Board members do not receive compensation for serving on the Board.
525	31C-5. Reg	istration process; fees.
526	<u>(a)</u>	Registration required. A new home builder or a new home seller must
527		not engage, or offer to engage, in the business of constructing, selling, or
528		advertising a new home for sale or act in the capacity of a building
529		contractor in the County unless the builder or seller are first registered by
530		the Office.

531	<u>(b)</u>	<u>Appli</u>	cation. Each application for registration must be on a form the
532		<u>Direc</u>	tor requires and:
533		<u>(1)</u>	provide information as to character, references, experience,
534			education, and training in or related to erecting, constructing, or
535			otherwise creating a new home or selling a new home;
536		<u>(2)</u>	[[disclose that the applicant agrees that any service of process from
537			the Office to the applicant will be satisfied by mailing via regular
538			mail and certified mail, to the applicant at the most current address
539			listed on the application form]] require that the applicant agree to
540			provide the warranty required in Section 31C-8; and
541		<u>(3)</u>	include any additional information required by regulation.
542	<u>(c)</u>	Fees.	
543		<u>(1)</u>	Each application must be accompanied by an application fee.
544		<u>(2)</u>	Any application fee paid is not refundable.
545	<u>(d)</u>	<u>Board</u>	d recommendation. Within 60 days after receiving a completed
546		regist	ration application, the Board must recommend to the Director
547		wheth	<u>ner:</u>
548		<u>(1)</u>	the applicant is qualified to comply with the building code and
549			laws of the County and State, and to fully perform new home
550			building and new home sales contracts; and
551		<u>(2)</u>	the applicant should be registered or receive a conditional
552			registration that stipulates specific requirements to which the
553			applicant must comply before the applicant's registration can be
554			fully recommended to the Director.
555	<u>(e)</u>	<u>Direc</u>	tor decision.
556		<u>(1)</u>	Within 75 days after receiving a completed application, the
557			Director must notify the applicant of the [[of the]] Board's

558			recommendation and the Director's final action regarding							
559		registration, conditional registration, or denial of registration. If the								
560			Director fails to notify the applicant within 75 days of submission,							
561			the application is deemed approved.							
562		<u>(2)</u>	If the applicant is denied registration approval, the Director must[[:							
563			(A) notify]] send the applicant [[in writing]] written notification							
564			of the denial and the reasons for the denial[[; and							
565			(B) mail the denial by certified mail to the address on the							
566			application]].							
567		<u>(3)</u>	The Director must not approve a registration for a builder or seller							
568			who has or had any legal interest in a previously licensed firm who							
569			has or had a license or registration revoked or suspended for any							
570			reason listed in Section [[31C-10]] 31C-9.							
571	<u>(f)</u>	<u>Expir</u>	Expiration of license. Unless renewed under the procedures in 31C-6, a							
572		registration expires on the second anniversary of its effective date. Once								
573		a regi	a registration expires, it cannot be renewed. The former registrant must							
574		subm	it a new application for registration.							
575	<u>(g)</u>	<u>Amen</u>	Amendment. A new home builder or a new home seller must amend the							
576		regist	registration within 30 days of any material change in the information							
577		provi	ded in the most recent application or amendment.							
578	31C-6. Reg	<u>istrati</u>	on Renewal.							
579	<u>(a)</u>	A reg	gistered new home builder or new home seller may apply to renew							
580		their	registration before the current registration expires by:							
581		<u>(1)</u>	submitting a completed renewal application;							
582		<u>(2)</u>	paying the required renewal fee; and							
583		<u>(3)</u>	making a payment to the Maryland Home Builder Guaranty Fund							
584			as required under State law.							

585	<u>(b)</u>	At least 60 days before a new home builder or new home seller						
586		registration is set to expire, the Office must [[provide notice to the						
587		registrant by electronic mail or regular mail sent to the last known address						
588		of]] send written notification to the registrant. This notice must contain:						
589		(1) <u>a renewal application form or online link to the renewal form;</u>						
590		(2) the date on which the current registration expires;						
591		(3) the date by which the Office must receive the renewal application;						
592		<u>and</u>						
593		(4) <u>information regarding the required fees associated with the</u>						
594		renewal.						
595	<u>(c)</u>	A registrant must submit a completed renewal application to the Office						
596		no later than 30 days before the registration is set to expire.						
597	<u>(d)</u>	The Director may request that the Board review any renewal application						
598		to ensure the applicant continues to meet the criteria in Section 31C-5.						
599	<u>(e)</u>	By the date on which a registration is set to expire, the Director must						
600		[[notify]] send the applicant written notification of the of the Board's						
601		recommendation, if any, and the Director's final action regarding renewal						
602		of a registration. If the Director fails to notify the applicant by this date,						
603		the renewal application is deemed approved.						
604	<u>(f)</u>	If the applicant is denied registration approval, the Director must[[:						
605		(1) notify]] send the applicant [[in writing]] written notification of the						
606		denial and the reasons for the denial[[; and						
607		(2) mail the denial by certified mail to the address on the application]].						
608	<u>(g)</u>	A renewal registration is valid for 2 years.						
609	31C-7. Enf	orceability of contracts.						

A contract for the performance of any act for which a home builder registration is required is [[not enforceable]] void unless the home builder was registered at the time that the contract was signed by the contract purchaser.

31C-8. New home warranty.

- (a) Warranty required. [[A]] As a condition to being registered under this Chapter, a new home builder [[or]] and a new home seller must give a consumer a written warranty that provides the warranty coverage required by this Chapter [[before entering into a contract to sell or build a new home]] no later than the execution of the contract to sell the home.
- (b) Liability. The new home builder and new home seller [[are jointly and severally liable for honoring]] must honor the terms of the warranty and cannot discharge this warranty obligation by providing a third-party new home warranty plan to the homeowner.
- (c) *Performance standards.*
 - (1) The warranty must include minimum performance standards for the construction and quality of the components of a new home.
 - (2) If specific minimum performance standards are not provided, industry standards for good building practice determine compliance with the new home warranty.
- (d) Duration of warranty. The new home builder and the new home seller [[are jointly and severally liable and]] must warrant to the homeowner, and all subsequent homeowners during the warranty period, [[the new home]] that:
 - (1) For 1 year, starting on the warranty date, the new home must be free from any defect in materials or workmanship as defined in the minimum performance standards.

636		<u>(2)</u>	For 2 years, starting on the warranty date, the new home must be				
637			free from any defect in the electrical, plumbing, heating, cooling,				
638			ventilating, and mechanical systems.				
639		<u>(3)</u>	For 5 years, starting on the warranty date, the new home must be				
640			free from any major structural defect.				
641	<u>(e)</u>	<u>Exclu</u>	usions. The written warranty may exclude:				
642		<u>(1)</u>	damage to real property which is not part of the home covered by				
643			the warranty and which is not included in the purchase price of the				
644			home;				
645		<u>(2)</u>	bodily injury or damage to personal property;				
646		<u>(3)</u>	any defect in, or caused by, materials or work supplied by anyone				
647			other than the builder, or its employees, agents, or subcontractors;				
648		<u>(4)</u>	any loss or damage which the homeowner has not taken timely				
649			action to minimize; and				
650		<u>(5)</u>	any additional exclusions permitted by Regulation.				
651	<u>(f)</u>	Statutory warranties. The statutory warranties required by this Chapter					
652		are in addition to all other implied or express warranties imposed by law					
653		or ag	or agreement. Each new home builder or new home seller must disclose				
654		the in	the information required by, and otherwise comply with, Sections 10-601				
655		throu	through 10-610 of the Real Property Article of the Maryland Code.				
656	<u>(g)</u>	Financial security.					
657		<u>(1)</u>	Before entering into a contract to sell or build a new home, a new				
658			<u>home</u> <u>builder</u> <u>or</u> <u>a</u> <u>new</u> <u>home</u> <u>seller</u> <u>must:</u>				
659			(A) inform the consumer in writing whether any bond,				
660			insurance, or other financial security is responsible for or				
661			guarantees the builder's performance under the warranty				
662			required by this Chapter;				

663		<u>(B)</u>	provide	<u>proof</u>	of any such	bond, in	sura	nce, o	or secur	<u>rity to any</u>
664			<u>buyer</u> or	<u>requ</u>	est; and					
665		<u>(C)</u>	<u>include</u>	<u>the</u>	following	notice	<u>in</u>	<u>the</u>	<u>sales</u>	contract
666			immedia	ately <u>t</u>	pefore the di	sclosure	requ	<u>iired</u>	by subp	<u>paragraph</u>
667			<u>(A):</u>							
668			<u>NC</u>	TICE	E <u>TO</u> BUYE	<u>ER</u>				
669	<u>Mont</u>	gomery Cour	<u>ity law do</u>	es <u>no</u>	t require thi	s builder	<u>to f</u>	urnis	<u>h any b</u>	ond,
670	insurance	, or other fina	ncial secu	<u>ırity</u> <u>t</u>	o guarantee	the buil	der's	<u>perfe</u>	ormanc	e of its
671	warranty	obligations. <u>I</u>	f a builde	r <u>has</u> j	promised yo	ou any ot	ther	bond.	<u>, insura</u>	nce, or
672	security	y to guarante	e the perfo	orman	nce of its wa	rranty o	bliga	ations	<u>, that b</u>	ond,
673		ins	urance, oi	secu	rity must be	listed h	ere:			
674		(2) <u>The b</u>	ouyer mus	t ackn	nowledge in	writing t	that t	the bu	<u>iyer</u> <u>has</u>	s read and
675		under	stands the	e <u>noti</u>	ce required	under pa	ıragı	<u>raph (</u>	1)(C).	
676		(3) <u>A nev</u>	w home b	uilder	or new hon	ne <u>seller</u>	may	y be r	equirec	<u>l to post a</u>
677		<u>bond</u>	if the Di	rector	determines	that the	e bu	<u>ilder</u>	constru	ucted and
678		sold a	home wi	thout	being regis	tered.				
679	[[<u>31C-9.</u> Li	ability of bui	<u>lder</u> <u>and</u>	seller	• •					
680	<u>(a)</u>	A new hor	ne <u>builde</u>	r and	l new home	e seller	<u>are</u>	joint	<u>ly liab</u>	le to the
681		homeowner	during th	<u>e peri</u>	iod when the	e <u>new</u> ho	<u>ome</u>	<u>warra</u>	nty is i	in effect.
682	<u>(b)</u>	The builder	and seller	<u>are j</u>	ointly liable	for any	defe	ect in	the hor	me which
683		is covered b	y the war	ranty.	<u>.</u>					
684	<u>(c)</u>	The liability	<u>y of a bu</u>	<u>ilder</u>	and seller u	under th	e ne	ew ho	ome wa	arranty is
685		limited to the	e purchas	<u>e pric</u>	ce of the hor	ne in the	e firs	t goo	d faith	sale.
686	<u>(d)</u>	The homeon	wner may	reco	ver any dan	nages du	<u>ie fro</u>	om a	<u>builde</u> 1	<u>r or seller</u>
687		under this S	ection by	<u>filing</u>	<u>a civil action</u>	on in any	y cou	<u>ırt</u> <u>wi</u>	<u>th</u> juris	diction.]]

688	[[<u>31C-10</u>]]	<u>31C-9</u>	. Complaints, investigations, and administrative hearings.				
689	<u>(a)</u>	<u>Com</u>	Complaint. A consumer or homeowner may file a written complaint with				
690		the D	Director. A complaint should state the name and address of the builder				
691		or se	or seller alleged to have committed a violation of this Chapter, desc				
692		the v	iolation, and provide any other information that the Office requires.				
693		The 1	Director may act on a complaint that is not complete.				
694	<u>(b)</u>	Inves	stigation. The Office may:				
695		<u>(1)</u>	investigate any complaint made against any person [[or legal				
696			entity]] who is operating as a new home builder or new home seller				
697			and who is or should be [[required to be]] registered under this				
698			Chapter;				
699		<u>(2)</u>	investigate any potential violation of and enforce this Chapter				
700			without receiving a complaint;				
701		<u>(3)</u>	hold hearings or refer any matter to a hearing officer designated by				
702			the Chief Administrative Officer for an administrative hearing;				
703		<u>(4)</u>	subpoena the attendance of witnesses and documents;				
704		<u>(5)</u>	administer oaths;				
705		<u>(6)</u>	require the production of evidence relating to any matter under				
706			investigation;				
707		<u>(7)</u>	inspect relevant books, papers, records, or documents of the				
708			builder or seller at the place of business of the builder and seller				
709			during business hours; and				
710		<u>(8)</u>	conduct inspections of new home construction sites and models.				
711	<u>(c)</u>	<u>Hear</u>	<u>ring.</u>				
712		<u>(1)</u>	Before denying, suspending, refusing to renew, or revoking any				
713			registration, the Director must afford the builder or seller an				

714		<u>oppo</u>	rtunity for a hearing before a hearing officer designated by the
715		Chie	Administrative Officer for an administrative hearing.
716	<u>(2)</u>	After	giving a builder or seller the opportunity for a hearing, the
717		Direc	etor may deny, suspend, refuse to renew, or revoke the
718		regist	tration of a new home builder or new home seller if the
719		Direc	etor finds that the builder or seller:
720		<u>(A)</u>	made a misstatement of material fact in the application for
721			registration or renewal;
722		<u>(B)</u>	committed fraud or misrepresentation in connection with
723			any building activity conducted under the requirements of
724			this Chapter;
725		<u>(C)</u>	committed gross negligence in connection with any
726			building activity conducted under the requirements of this
727			Chapter;
728		<u>(D)</u>	violated the building code or laws of the County or State;
729		<u>(E)</u>	did not provide the new home warranty required by this
730			Chapter;
731		<u>(F)</u>	did not correct or settle a claim arising out of a defect that is
732			covered by the warranty required by this Chapter;
733		<u>(G)</u>	did not file an amendment to a registration application
734			within 30 days of any material change in the information
735			provided in the most recent application or amendment;
736		<u>(H)</u>	aided, abetted, or knowingly combined or conspired with an
737			unregistered person [[or legal entity]] to evade this Chapter;
738		<u>(I)</u>	<u>abandoned</u> <u>or</u> <u>willfully</u> <u>failed</u> <u>to</u> <u>perform,</u> <u>without</u>
739			justification, a contract for construction of a building that is
740			to be used as a residence;

741	<u>(J)</u>	willfully deviated from or disregarded plans or
742		specifications in any material way without consent of the
743		consumer or homeowner;
744	<u>(K)</u>	did not comply with this Chapter in any material way;
745	<u>(L)</u>	diverted funds or property that were received for the
746		completion of a construction project, and used the funds or
747		property for another project, operation, obligation, or
748		purpose, with intent to defraud or deceive creditors or the
749		contract purchaser;
750	<u>(M)</u>	served as an officer, Director, owner, member, principal, or
751		stockholder for a builder or seller whose registration was
752		revoked or suspended under this Chapter;
753	<u>(N)</u>	engaged in a pattern of unfair or deceptive trade practices in
754		violation of Chapter 11;
755	<u>(O)</u>	obtained or attempted to obtain a residential home
756		construction permit by falsely representing that the
757		applicant was seeking a permit to construct a home to be
758		occupied by the applicant as a personal residence;
759	<u>(P)</u>	[[failure]] failed to satisfy final judgments or liens in favor
760		of a contract purchaser, homeowner, subcontractor, or
761		government;
762	<u>(Q)</u>	engaged in fraud, deception, misrepresentation, or knowing
763		omissions of material facts related to new home building
764		contracts;
765	<u>(R)</u>	engaged in a pattern of poor workmanship as evidenced by
766		<u>unresolved</u> <u>building</u> <u>code</u> <u>violations</u> <u>or</u> <u>unsatisfied</u>
767		arbitration awards or judgments in favor of a consumer; or

768			(S) <u>violated a term or condition of a conditional registration.</u>
769		<u>(3)</u>	The Director may refer a complaint or a violation to a hearing
770			officer designated by the Chief Administrative Officer for an
771			administrative hearing.
772		[[(4)	Service of process must be by regular and certified mail to the new
773			home builder, new home seller, or the applicant's most current
774			address provided on their application form.]]
775	<u>(d)</u>	<u>Hear</u>	ings, generally. Any hearing held under this Section must be
776		condu	acted under the Administrative Procedures Act.
777	<u>(e)</u>	Appe	als. A person aggrieved by a decision of the hearing examiner or
778		Direc	tor to deny, suspend, refuse to renew, or revoke a registration may
779		<u>seek</u>	judicial review of the decision in the Circuit Court under the
780		applic	cable Maryland Rules of Procedure governing judicial review of
781		<u>admii</u>	nistrative agency decisions. A party aggrieved by the decision of the
782		Circu	it Court may appeal that decision to the Court of Special Appeals.
783	[[<u>31C-11</u>]] <u>{</u>	31C-1(<u>Violations</u> and penalties.
784	Any y	violatio	on of this Chapter is a Class A violation.
785	[[<u>31C-12</u>]] <u>.</u>	31C-11	<u>. Administration; regulations.</u>
786	<u>(a)</u>	The I	Director administers and enforces this Chapter.
787	<u>(b)</u>	The E	Executive must adopt Method (2) regulations to implement this
788		Chap	ter. The regulations must:
789		<u>(1)</u>	set one or more fees appropriate to cover the cost of
790			administering this Chapter;
791		<u>(2)</u>	provide for the form and content of the warranty required by
792			Section 31C-8;
793		<u>(3)</u>	set forth the terms of the warranty required by Section 31C-8;

794		<u>(4)</u>	describe other allowable warranty exclusions the Executive
795			deems necessary;
796		<u>(5)</u>	include standards under which a person may receive a waiver
797			under Section 31C-2; and
798		<u>(6)</u>	includes standards by which a person may be deemed qualified to
799			comply with County and State law, as required in Section 31C-5.
800	Sec. 2. Sect	ion 2A	-2 is amended as follows:
801	2A-2. Appli	icabili	ty.
802	This	Chapte	er governs the following administrative appeals and proceedings and
803	applies whe	ther a	hearing is conducted by a hearing examiner or another designated
804	official.		
805			* * *
806	(g)	Comp	plaints and actions filed with or by the Office of Consumer
807		Prote	ction under Chapter [[31C-10]] 31C-9 when a hearing is required or
808		provi	<u>ded.</u>
809	<u>(h)</u>	Such	other hearings as hereinafter provided for by law or executive
810		regula	ations which are specifically designated as being governed hereby.
811		In thi	s regard, the County Executive is hereby authorized to add or delete
812		additi	ional quasi-judicial authorities from time to time by executive
813		regula	ation adopted under method (2) of section 2A-15 of this Code.

Approved:	
Managan Ps	2/7/19
Nancy Navarro, President, County Council	Date
Approved:	
Max Il	2/14/19
Marc Elrich, County Executive	Date
This is a correct copy of Council action.	
Mugan Dunging	2/21/19
Megan Davey Limarzi, Esq., Clerk of the Council	Date