**Maryland Home Improvement Commission**

**Public Business Meeting Minutes**

DATE: April 1, 2021

TIME: 10:00 a.m.

PLACE: Teleconference through Google Meet

MEMBERS PRESENT: James Berndt

 Lawrence Helminiak

 Lauren Lake

 Michael A. Newton

 Wm. Bruce Quackenbush

 Michael Shilling

 Joseph Tunney, Chair

I Jean White

MEMBERS ABSENT: Robert Altieri

DEPARTMENT OF LABOR OFFICIALS AND STAFF PRESENT:

David Finneran, Executive Director

Deborah Irvin-Cromwell, Assistant Executive Director

Lance Franklin, License Supervisor

Gregory Morgan, Commissioner

 Kimberly Rosenthal, Administrative Officer

 Kenneth Sigman, Assistant Attorney General

 Tenaea A.Thomas, Panel Secretary

**Call to Order**

Chair Tunney called the meeting to order at 10:00 a.m.

 **Approval of the February 4, 2021 Minutes**

Mr. Quackenbush made a motion to approve the minutes of the February 4, 2021 Commission meeting. Mr. Shilling seconded the motion and all approved the minutes.

**Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated March 22. 2021 is as follows:

Balance as of July 1, 2020 $ 3,738,738.15

Receipts $ 1,048,827.86

Interest -0-

Disbursements

 Claims ($901,528.98)

 Refunds ($200.00)

Balance as of February 28, 2021 $3,885,837.03

Reserve

Anticipated Large Claims $ 700,000.00

FMIS Balance $3,773,119.70

Difference $ 112,717.33

Please note that the “Receipts” amount of $1,048,827.86 include electronic licensing receipts of $97,972.33 and Lockbox receipts of $14,745.00 for the month of February that was not posted into FMIS until the month of March, 2021.

**Prorated Claims Report - MHIC Business Meeting**

**April 1, 2021**

 **Contractor Suspended date**

**Contractor A June 9, 2015**

Payout completed on March 27, 2018

**Contractor B June 16, 2016**

Payout completed on December 6, 2018

**Contractor C February 1, 2017**

Payout completed on October 4, 2018

**Contractor D June 29, 2017**

Payout completed on January 1, 2019

**Contractor E June 29, 2017 (Emergency Suspended)**

24 – Complaints Latest complaint opened May, 2018

Claims date closed as of **January 1, 2019**

**Contractor F December 21, 2017**

**Payout completed on September 3, 2019**

**Contractor G May 8, 2019 (voluntary termination)**

9 – Complaints Latest one opened May 20, 2019

Claims date to close November 20, 2020

**Contractor H June 24, 2019 (Emergency Suspension)**

 7– Complaints Claims date to close on April 7, 2021

 1-Criminal Complaint Criminal Charges filed in one case

**Contractor I March 8, 2019 (license expired)**

6 – Complaints Latest one opened Sept. 16, 2020

**Contractor J** **Dec. 16, 2019 (Emergency Suspension)**

19 – Complaints Latest complaint opened January 7, 2021

**Contractor K Jan. 16, 2020 (show cause suspension)**

8 – Complaints Latest complaint opened Nov 13 2020

**Contractor L March 12, 2020 (Emergency Suspension)**

10--Complaints Latest Licensed Complaint opened
March 24, 2021

1-Criminal Complaint Criminal Charges filed in 1 case

**Contractor M December 5, 2019 (show cause suspension)**

12-Complaints Latest complaint opened March 3, 2021

**Contractor N Researching Suspension Options**

9-Complaints Latest complaint opened March 17, 2021

Mr. Finneran informed the Commission of the following:

Contractor H: Claims date is April 7, 2021. All Claims should be closed on that date and once all claims are adjudicated the Commission can pay out on Contractor H.

Contractor L: 1 new complaint was received on March 24, 2021 which increases the contractor’s complaints to 11 licensed complaints and 1 unlicensed complaint.

Contractor M: 1 new complaint received on March 3, 2021 which increases the contractor’s complaints to 12.

Contractor N: MHIC is still researching suspension options for this Contractor. There are 9 complains which are mostly recent. The latest complaint was opened on March 17, 2021. The complaints are likely to exceed the $100,000 guaranty fund cap. If that is the case the complaints will be prorated. MHIC is diligently working on various angles to suspend this contractor very soon. This contractor is working out of the Howard County area. At this time there are no criminal MHIC complaints against this contractor. If it is found that the contractor is taking deposits and not performing the work, the Commission will take the appropriate action.

There were no questions about the prorated report.

**Review of Exam Results**

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| Below is the examination statistics summary for the month of February 2021 and March 2021February 2021 |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 153 | 109 | 44 | 71% |
| Contractor Spanish | 90 | 40 | 50 | 44% |
| Salesperson | 59 | 36 | 23 | 61% |
| Salesperson Spanish | 0 | 0 | 0 |  |
| **TOTAL** | **302** | **185** | **117** | **63%** |
| March 2021 |
| Contractor | 266 | 180 | 86 | 68% |
| Contractor Spanish | 138 | 75 | 63 | 54% |
| Salesperson | 81 | 54 | 27 | 67% |
| Salesperson Spanish | 0 | 0 | 0 | 0 |
| **TOTAL** | **485** | **309** | **176** | **64%** |

Mr. Finneran said the increase in the Salesperson’s tested may be due to the MHIC newsletter that went out informing contractors to get their salespeople licensed.

Mr. Finneran said that MHIC is in the midst of the spring rush. MHIC is receiving numerous applications and an increase in testing that may continue until Memorial day before it starts to taper off for the summer. MHIC is trying to address the extra work load.

There were no questions about the PSI test results.

**Maryland Home Improvement Stats**

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| **JANUARY 2021**  |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 35,883 |
|  *Contractor/Salesperson* | 18,729 |
|  *Salesperson* | 3,140 |
|  *Contractor/Salesperson (Corp/Part)*  | 12,918 |
|  *Applications Approved* | 134 |
|  |  |
| **COMPLAINTS RECEIVED** |
| **Complaints Received**  | **108** |
|  *Licensed* | 74 |
|  *Unlicensed* | 34 |
| PendingShow Cause Hearings | **26** |
| Waiting to be sent to OAH | **59** |
| Pending Hearing/Decision at OAH | **108** |
| Mediation | 32 |
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| **Claims** |
| Total Open Claims | **403** |
| New Claims Received | **22** |

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| **FEBRUARY 2021**  |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 36,141 |
|  *Contractor/Salesperson* | 18,852 |
|  *Salesperson* | 3,161 |
|  *Contractor/Salesperson (Corp/Part)*  | 13,028 |
|  *Applications Approved* | 133 |
|  |  |
| **COMPLAINTS RECEIVED** |
| **Complaints Received**  | **127** |
|  *Licensed* | 92 |
|  *Unlicensed* | 35 |
| PendingShow Cause Hearings | **24** |
| Waiting to be sent to OAH | **80** |
| Pending Hearing/Decision at OAH | **153** |
| Mediation | 36 |
|  |
| **Claims** |
| Total Open Claims | **405** |
| New Claims Received | **8** |

Ms. White asked if the 80 claims waiting to be sent to OAH include the 59 from January’s report or is that new hearings to be scheduled? Mr. Finneran said that it is a new number and it doesn’t include the 59 from January.

OAH is allowing 52 claim submissions every month. There was a hold most of January and all of February for sending claims to OAH. 31 claims were sent in March 2021. Mr. Finneran said that it’s encouraging that OAH is now allowing 52 claims per month. There are currently 80 claims reviewed and ready to go to OAH. There are currently 405 claims waiting to be reviewed.

Mr. Tunney asked if the cases go to OAH in the order they were received? Mr. Finneran said that yes they do go in order. The only way that a case would be accelerated is a Government official or a Delegate would take interest in the case. Also if the anticipated large claims had one or two holding up a payout of 9 then he would also accelerate it so that the larger group would get paid.

**MHIC CITATION REPORT**

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| --- |
| **February 2021** |
| ***Citation #*** | ***Total $ Amount*** | ***Violations***  | ***Investigator*** | ***Due Date***  |  ***Citation Date***  |
| **731** | $1,500.00 | Y-1 | C. Corbin | 4/18/2021 | 2/17/2021 |
| **732** | $2,500.00 | Y-1 & BB-1 | C. Corbin | 4/18/2021 | 2/17/2021 |

**There were no Citations in March 2021**

Mr. Finneran also informed the Commission that he collected $20,000 on a surety bond in March. MHIC expects to collect on surety bonds after CCU amends the time that MHIC is allotted to send Guaranty Fund debts to CCU. MHIC has ten days to send a payout to CCU and it takes about 45 to 60 days to collect on a surety bond. For audit purposes, Mr. Finneran needs written approval from CCU to allow more time to send a debt to CCU.

**Comments from the Chairman**

Mr. Tunney stated that he had no comments and asked if any of the other Commissioners had any questions or comments?

Ms. White said that she read the MHIC newsletter and she liked it. She thanked MHIC for sending it out.

Ms. White also asked about HB 395 which specify that the maximum portion of a home improvement contract price that a person may receive when work commences on a certain project may not be more than one-half of the total home improvement contract price; prohibiting a person from receiving the remaining amount of a home improvement contract price until the completion of the home improvement specified in the contract, except under certain circumstances; etc. Mr. Finneran said that the Bill is currently in Committee and he feels as though it may pass. The Commissioners had a discussion about the pros and cons of House Bill 395. Mr. Sigman informed the Commissioners that he would send them a link to the House Bill so that the Commissioners could follow the status.

Mr. Finneran also said that SB106 Requiring, before certain licenses or permits are issued or renewed, the issuing authority to verify with the State Department of Assessments and Taxation that the applicant is in good standing with the Department if the applicant is a person required to

 file an annual report under § 11-101 of the Tax - Property Article. This Bill is currently pending with the House Health and Government Operations Committee. However, Mr. Finneran said that the IT Department has already developed a program to implement this Bill’s requirements.

**Comments from the Executive Director**

Mr. Finneran informed the Commissioners that MHIC recently hired a new licensing staff person who will help with licensing. Also he informed the Commissioners that MHIC has hired a temporary staff person to scan all old records into the system such as old applications, Proposed Orders and Minutes. This individual is expected to work with MHIC for 9 months. Mr. Finneran thanked Commissioner Morgan for allowing all of the old documents to be scanned in the system.

Mr. Finneran informed the Commissioners that the next MHIC newsletter will be a collaborative effort with the Better Business Bureau. He encourages the Commissioners to draft something they would like to be placed in the MHIC newsletter or give him some ideas for the newsletter. The MHIC newsletter should be going out every two to four months. The newsletter goes out to licensed contractors and salesman.

Mr. Tunney wished everyone Happy Holidays and he looks forward to seeing everyone again in June.

**Adjournment**

The meeting was adjourned at 10:35 a.m.



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Joseph Tunney Chairman David Finneran, Executive Director