Maryland Home Improvement Commission

Business Meeting

Meeting Minutes

DATE: February 1, 2024

TIME: 10:00 AM

LOCATION: ***(Teleconference via Google Meet)***

MEMBERS PRESENT: Joseph Tunney, Chairman

Robert Altieri, *Commissioner*

Heather Connellee, *Commissioner*

Chandler Louden, *Commissioner*

Michael A. Newton, Commissioner

Michael Shilling, *Commissioner*

I. Jean White, *Commissioner*

STAFFPRESENT: David Finneran, *Executive Director*

Deborah Irvin Cromwell, *Assistant Director*

Lance Franklin, *Licensing Supervisor*

Kimberly Rosenthal, *Administrative Officer*

Kenneth Sigman*, Assistant Attorney General*

Tenaea Thomas*, Panel Secretary*

MEMBERS ABSENT: Lauren E. Lake, *Commissioner*

# **Meeting Called to Order**

The meeting was called to order at 10:03 a.m.

# **Approval of the December 7, 2023 Minutes**

Commissioner Quackenbush moved to approve the Minutes of the December 7, 2023, meeting, and Commissioner White seconded it. The motion passed unanimously.

# **Discussion Senate Bill 54**

Senate Bill 54 pertains to altering certain provisions of law regarding the prohibition on certain departments of State government from denying an occupational license or certificate to an applicant solely on the basis of the criminal history of the applicant by prohibiting a department from requiring disclosure of certain actions on an application and establishing a predetermination review process; authorizing a department to charge a criminal history review fee of no more than $100 or to waive the fee under certain circumstances; etc. Commissioner Quackenbush made a motion to oppose the Senate Bill 54 and convey the Commission’s opposition to the legislature if authorized by the Department of Labor. Commissioner Connellee seconded the motion. The motion passed unanimously.

**Discussion House Bill 738**

House Bill 738 pertains to increasing from $50,000 to $500,000 the amount of general liability insurance that an applicant for a home improvement contractor license or a licensed home improvement contractor must maintain. Commissioner Quackenbush made a motion to support the proposed legislation and to convey the Commission’s support to the legislator if authorized by the Department of Labor. Commissioner White seconded the motion. The motion passed unanimously.

# **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated December 21, 2023, is as follows:

Balance as of July 1, 2023 $ 4,350,003.01

Receipts $ 733,761.96

Disbursements

Claims ($949,711.61)

Refunds ($0.00)

Balance as of November 30, 2023 $4,134,053.36

Reserve

Anticipated Large Claims $1,000,000.00

FMIS Balance $4,039,220.91

Difference $94,832.45

Please note that the “Receipts” amount of $733,761.96 includes electronic licensing receipts of $93,907.45 and lockbox receipts of $925.00 for the month of November that was not posted into FMIS until the month of December 2023.

**Anticipated Pro Rated Claims Expected to exceed $250,000 in Guaranty Fund Claims**

**Contractor O**

**October 25, 2021 (GF payout suspension)**

The MD Consumer Protection Division has initiated administrative actions

against this contractor in an effort to recover additional funds that may

reimburse homeowners for their actual loss.

The Baltimore City Office of the Inspector General has initiated an investigation to address the criminal aspect of these cases.

59 total MHIC complaints - Latest complaint opened November 21, 2023

24 criminal charges filed by MHIC

28 total MHIC claims received

3 claims denied

$620,437.00 in claims to date. Five additional claims expected to be filed.

**Contractor R**

**June 1, 2022 (Emergency Suspension)**

Guaranty Fund reimbursements recovered, and expected to be recovered, by the MD Consumer Protection Division are expected to cover substantially all homeowner claim awards.

46 total MHIC complaints - Latest complaint opened March 29, 2023

34 total MHIC claims received

1 claim denied

$265,393.45 in claims to date.

**Contractor U**

**October 17, 2022 (Emergency Suspension)**

The MD Consumer Protection Division is in the early stage of its investigation of this contractor and is developing a strategy to address the large volume of homeowners with possible Guaranty Fund claims.

159 total MHIC complaints - Latest complaint opened October 25, 2023

71 total MHIC claims received

$ 1,766,356.12 claim received.

**Contractor V**

**Voluntary Termination February 10, 2023**

Multiple State agencies have initiated investigations against this contractor. The investigations include criminal and financial crimes.

36 total MHIC complaints - Latest complaint opened August 3, 2023

17 criminal charges filed by MHIC

33 total MHIC claims received.

$3,311,074.07 in claims to date. Every homeowner has filed a claim.

# **Review of MHIC Statistics**

|  |  |
| --- | --- |
| **NOVEMBER 2023** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 39,627 |
| *Contractor/Salesperson* | 20,231 |
| *Salesperson* | 2,984 |
| *Contractor/Salesperson (Corp/Part)* | 15,512 |
| *Applications Approved* | 267 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **104** |
| *Licensed* | 74 |
| *Unlicensed* | 30 |
| PendingShow Cause Hearings | **23** |
| Waiting to be sent to OAH | **104** |
| Pending Hearing/Decision at OAH | **246** |
| Mediation | 21 |
|  | |
| **Claims** | |
| Total Open Claims | **624** |
| New Claims Received | **47** |
| Small Claims Received | **5** |
| Pending Potential MHIC Claim | **$9,785,626.51** |

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| --- | --- |
| **DECEMBER 2023** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 39,743 |
| *Contractor/Salesperson* | 20,279 |
| *Salesperson* | 2,975 |
| *Contractor/Salesperson (Corp/Part)* | 15,586 |
| *Applications Approved* | 178 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **81** |
| *Licensed* | 57 |
| *Unlicensed* | 24 |
| PendingShow Cause Hearings | **12** |
| Waiting to be sent to OAH | **56** |
| Pending Hearing/Decision at OAH | **294** |
| Mediation | **19** |
|  | |
| **Claims** | |
| Total Open Claims | **592** |
| New Claims Received | **49** |
| Small Claims Received | **5** |
| Pending Potential MHIC Claim |  |

# **Review of the December 2023 & January 2024 PSI Results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Below are the examination statistics summary for the month of December 2023 & January 2024  December 2023 | | | | | |
| **Home Improvement** | | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | | 143 | 94 | 49 | 66% |
| Contractor Spanish | | 189 | 87 | 102 | 46% |
| Salesperson | | 69 | 42 | 27 | 61% |
| Salesperson Spanish | | 0 | 0 | 0 | 0% |
| **TOTAL** | | **401** | **223** | **178** | **56%** |
| January 2024 | | | | |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 173 | 126 | 47 | 73% |
| Contractor Spanish | 124 | 57 | 67 | 46% |
| Salesperson | 84 | 55 | 29 | 65% |
| Salesperson Spanish | 1 | 0 | 1 | 0% |
| **TOTAL** | **382** | **238** | **144** | **62%** |

# **CITATION REPORT**

**There were no Citations for December 2023 or January 2024**

# **Comments from the Chairman**

Commissioner Tunney thanked everyone for being at the Commission meeting.

**Comments from the Executive Director**

Mr. Finneran informed the Commissioners that MHIC offered the position of Secretary to the Investigators to an excellent candidate and hopes they will accept.

# **Adjournment**

The meeting was adjourned at 10:57 a.m.

Signature on File April 4, 2024

### Chair’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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