



DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING  
MARYLAND HOME IMPROVEMENT COMMISSION  
500 N. Calvert Street, Room 306  
Baltimore, MD 21202-3651

DEPARTMENT OF LABOR, LICENSING AND REGULATION

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

**DATE:** June 7, 2018

**TIME:** 10:00 a.m.

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

**MEMBERS PRESENT:** Sachchida Gupta  
Lawrence Helminiak  
William B. Quackenbush, Jr.  
Michael Shilling  
I Jean White

**MEMBERS ABSENT:** Robert A. Altieri  
Jeffrey Ross  
Andrew Snyder  
Joseph Tunney, Chairman

**DLLR OFFICIALS AND  
STAFF PRESENT:** Susan Cherry, Chief of Litigation  
Deborah Irvin-Cromwell, Assistant Executive Director  
David R. Finneran, Executive Director  
Lance Franklin, Licensing Supervisor  
John Hart, Assistant Attorney General  
Janet Morgan, Web Content and Outreach Coordinator  
John Papavasiliou, Deputy Commissioner  
Kimberly Rosenthal, Administrative Officer  
Victoria L. Wilkins, Commissioner

**Call to Order**

Acting Chair I. Jean White called the meeting to order at 10:09 a.m.

**Approval of the April 5, 2018 Minutes**

Commissioner Shilling made a motion to approve the April 5, 2018 Minutes, Commissioner Quackenbush seconded the motion, all approved the meeting Minutes of April 5, 2018.

PHONE: 410-230-6309 • FAX: 410-962-8482 • TTY USERS, CALL VIA THE MARYLAND RELAY SERVICE  
INTERNET: WWW.DLLR.MARYLAND.GOV • E-MAIL: DLOPLMHIC-DLLR@MARYLAND.GOV

LARRY HOGAN, GOVERNOR • BOYD K. RUTHERFORD, LT. GOVERNOR • KELLY M. SCHULZ, SECRETARY

### Guaranty Fund Activity Report

The MHIC Guaranty Fund Activity Report dated May 22, 2018 is as follows:

Balance as of July 1, 2017	\$ 2,250,506.03
Receipts	\$ 1,070,116.83
Interest	-0-
Disbursements	
Claims	(\$727,860.23)
Refunds	(\$11,594.28)
Balance as of April 30, 2018	<u>\$2,581,168.35</u>
FMIS Balance	\$2,482,068.35
Difference	\$102,540.00

Mr. Finneran informed the Commission that the Guaranty Fund had paid out \$100,000 in claims against Maryland Pools, Inc.. Acting Chair White inquired if the money that was paid out of the fund will be reimbursed. Mr. Finneran informed the Commissioners that the payout will be sent to the Central Collection Unit for collection purposes. Acting Chair White is happy to see that the Guaranty Fund is doing well.

#### Review of Exam Results

Below is the examination statistics summary for the month of April 2018 and May 2018.

##### April 2018

Home Improvement	Candidates			
	Tested	Passed	Failed	Pass %
Contractor	175	125	50	71%
Contractor Spanish	72	32	40	44%
Salesperson	114	81	33	71%
Salesperson Spanish	1	0	1	0%
<b>TOTAL</b>	<b>362</b>	<b>238</b>	<b>124</b>	<b>66%</b>

##### May 2018

Contractor	181	135	46	75%
Contractor Spanish	68	23	45	34%
Salesperson	96	72	34	75%
Salesperson Spanish	1	0	1	0%
<b>TOTAL</b>	<b>346</b>	<b>230</b>	<b>116</b>	<b>66%</b>

Acting Chair White asked Mr. Finneran if there were any Prep Courses for testing. Mr. Finneran stated that the monthly licensing workshops have record breaking attendance.

Acting Chair White said that she noticed that the Spanish exam pass rate for contractors has plummeted. Mr. Finneran informed the Commission that Spanish speaking candidates that are seeking to become home improvement contractors and salesman have the option to attend one of at least two private schools that offer home improvement courses for Spanish speaking students.

Mr. Finneran stated that he staffed a booth at a community college job fair recently. Also he said that most of the outreach that MHIC participates in has been for the homeowners and the elderly. Mr. Finneran would consider any available opportunities for outreach that may arise.

**Maryland Home Improvement Stats**

**March 2018**

<b>LICENSING ACTIVITY</b>	
<b>Current Licenses Total</b>	<b>30,640</b>
<i>Contractor/Salesperson</i>	<b>16,198</b>
<i>Salesperson</i>	<b>3,197</b>
<i>Contractor/Salesperson (Corp/Part)</i>	<b>10,244</b>
<i>Applications Approved</i>	<b>101</b>
<i>Applications Denied</i>	<b>0</b>
<b>COMPLAINTS RECEIVED</b>	
<b>Complaints Received</b>	<b>79</b>
<i>Licensed</i>	<b>57</b>
<i>Unlicensed</i>	<b>22</b>
Pending Show Cause Hearings	<b>7</b>
Waiting to be sent to OAH	<b>27</b>
Pending Hearing/Decision at OAH	<b>60</b>
Mediation	<b>30</b>
Investigations Closed	<b>144</b>
<b>CLAIMS</b>	
<b>New Claims Received</b>	<b>38</b>
<b>Total Open Claims</b>	<b>224</b>

<b>April 2018</b>	
<b>LICENSING ACTIVITY</b>	
<b>Current Licenses Total</b>	<b>30,734</b>
<i>Contractor/Salesperson</i>	<b>16,279</b>
<i>Salesperson</i>	<b>3,178</b>
<i>Contractor/Salesperson (Corp/Part)</i>	<b>10,297</b>
<i>Applications Approved</i>	<b>144</b>
<i>Applications Denied</i>	<b>2</b>
<b>COMPLAINTS RECEIVED</b>	
<b>Complaints Received</b>	<b>94</b>
<i>Licensed</i>	<b>62</b>
<i>Unlicensed</i>	<b>32</b>
Pending Show Cause Hearings	<b>24</b>
Waiting to be sent to OAH	<b>30</b>
Pending Hearing/Decision at OAH	<b>55</b>
Mediation	<b>25</b>
Investigations Closed	
<b>CLAIMS</b>	
New Claims Received	<b>48</b>
Total Open Claims	<b>248</b>

Acting Chair White asked Mr. Finneran when should a homeowner file a claim. Mr. Finneran said that a homeowner can file a claim at any time during the complaint process. However, the homeowner must abide by the statute of limitations. The homeowner has three years from the date of discovery to file a claim. It is up to the homeowner as to when they want to file the claim.

Commissioner Quackenbush asked how long does it take for the Commission to submit a claim to the Office of Administrative Hearings (OAH). Mr. Finneran said the Commission will submit a claim after it has been received from the homeowner. OAH will usually schedule a hearing within 90 days after they receive the claim from the Commission.

**Maryland Home Improvement Commission Citation Report**

<b>APRIL 2018</b>					
<i>Citation #</i>	<i>Total \$ Amount</i>	<i>Violations</i>	<i>Investigator</i>	<i>Due Date</i>	<i>Citation Date</i>
661	\$3,500	X01- B-01, Y-01	Corbin	6/2/2018	4/3/2018

<b>MAY 2018</b>					
<i>Citation #</i>	<i>Total \$ Amount</i>	<i>Violations</i>	<i>Investigator</i>	<i>Due Date</i>	<i>Citation Date</i>
667	\$2000	Y-01 and K-01	Banks	07/21/2018	5/22/2018
668	\$1500	AA-1, X-01	Miller	7/23/2018	5/24/2018
669	\$1000	BB-1	Miller	7/24/2018	5/25/2018

Mr. Finneran informed the Commission that the reason there have been so few Civil Citations issued is because the citation forms have been undergoing a redesign. Mr. Finneran introduced Janet Morgan to the Commission, who was tasked with designing the new citation forms and user training. The new process will make it easier for the Investigators to issue a citation that is accurate and legally defensible. Mr. Finneran also stated that if an individual is not in agreement with the civil citation they can request a hearing. If a citation is not paid within 90 days, the citation is sent to the Central Collection Unit to collect on the debt.

**Surety Bond Report**

There is currently no recovery from Surety Bonds for the Month of April and May 2018.

### **Proposed Regulatory Action: Special Fund Fee Schedule**

Mr. Hart informed the Commissioners that the legislation changing the MHIC to a specially funded commission required the MHIC to promulgate a fee schedule. The enacted legislation repealed statutory fees and instead authorized the Commission to set fees by regulation that cover the costs of running the MHIC. The MHIC, in turn, is required to publish these fees in a fee schedule set by regulation. The proposed promulgation would only move the fees from the statute to the fee schedule and the fees would not be changed at this time. Those fees that are deposited in the Guaranty Fund were not repealed by the enacted legislation, will remain in the statute and are not made part of the fee schedule. A motion was made to take proposed regulatory action to promulgate the fee schedule. The motion was seconded and passed unanimously.

### **Updating the MHIC's website list of home improvement services**

Mr. Hart spoke to the Commissioners regarding when a new type of service is presented before the Commission for review and as to whether that service requires a home improvement license. Mr. Hart informed the Commissioners that if the Commission believes that a new service requires a license, their recommendation must go to the Commissioner for the Division of Occupational and Professional Licensing for approval, and potentially the Secretary's Office, before the determination is made final. It was suggested that a review of the MHIC's website list of home improvement services be done at the next business meeting when a larger number of Commissioners could attend.

Mr. Finneran also discussed a service that has recently come to the attention of the MHIC called Soft Washing. Soft Washing is reportedly a cleaning method using low pressure water and solutions to remove mildew, bacteria, algae and other organic stains from roofs and other building exteriors. Commissioner Shilling made a motion and Commissioner Helminiak seconded the motion to table this discussion, and the larger discussion on updating the MHIC's website list of home improvement services, until there is a full Commission Panel. All Commissioners approved.

### **Comments of Acting Chair**

Acting Chair White is happy that things are going great for the Commission, especially financially. Contractors are passing the exam at a rate of at least 70% and licensing is doing well.

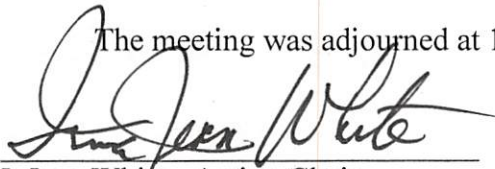
Commissioner Helminiak asked if there is any offense that would be considered the highest offense at the MHIC. Mr. Finneran said that an unworkmanlike complaint is the most common complaint. Commissioner Helminiak suggested a newsletter for homeowner's should be created. Commissioner Wilkins informed the Commissioners that a newsletter with information for contractors, and not homeowners, will be established very soon. A name will be needed for the new newsletter.

### Comments of the Executive Director

Mr. Finneran informed the Commission that DLLR and MHIC have been involved with the disaster assistance outreach in Howard County, Baltimore County and Baltimore City due to the flood that occurred over the Memorial Day weekend. There were community outreach centers established in Ellicott City, Catonsville and the Beechfield area in Baltimore City. Mr. Finneran, Deborah Irvin Cromwell, Victoria Wilkins, Janet Morgan and Keyonna Penick were among others from various agencies that staffed the outreach centers. Acting Chair White thanked Mr. Finneran and everyone involved for their help during this devastating time.


### Adjournment

The meeting was adjourned at 11:10 a.m.



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I. Jean White, Acting Chair



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David Finneran, Executive Director

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