

## Chapter 43

(Senate Bill 256)

AN ACT concerning

### Business Regulation – Definition of Home Builder

FOR the purpose of altering the definition of “home builder” to include a person who enters into a contract with a consumer under which the person agrees to provide the consumer with a new home; excluding from the definition of “home builder” a real estate developer who does not enter into contracts with consumers to provide or construct homes; excluding from the definition of “home builder” a buyer’s agent representing a prospective buyer in the purchase of a new home; and generally relating to the definition of home builder for the purpose of home builder registration.

BY repealing and reenacting, with amendments,  
 Article – Business Regulation  
 Section 4.5–101(g)  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2010 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### Article – Business Regulation

4.5–101.

(g) (1) “Home builder” means a person that undertakes to erect or otherwise construct a new home.

(2) “Home builder” includes:

(i) a custom home builder as defined in § 10–501 of the Real Property Article;

(ii) a new home builder subject to § 10–301 of the Real Property Article; [and]

(iii) the installer or retailer of a mobile home or an industrialized building intended for residential use; AND

**(IV) A PERSON ~~WHO~~ THAT ENTERS INTO A CONTRACT WITH A CONSUMER UNDER WHICH THE PERSON AGREES TO PROVIDE THE CONSUMER WITH A NEW HOME.**

(3) “Home builder” does not include:

(i) an employee of a registrant who does not hold himself or herself out for hire in home building except as an employee of a registrant;

(ii) subcontractors or other vendors hired by the registrant to perform services or supply materials for the construction of a new home who do not otherwise meet the requirements of this title;

(iii) the manufacturer of industrialized buildings intended for residential use or of mobile homes, unless the manufacturer also installs the industrialized buildings or mobile homes;

(iv) a real estate developer who does not construct, **OR ENTER INTO CONTRACTS WITH CONSUMERS TO PROVIDE OR CONSTRUCT**, homes;

(v) a financial institution that lends funds for the construction or purchase of residential dwellings in the State; [or]

(vi) except as otherwise provided in this title, a person who erects or constructs new homes solely in Montgomery County; **OR**

**(VII) A BUYER’S AGENT, AS DEFINED IN § 17-530 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE, WHEN REPRESENTING A PROSPECTIVE BUYER IN THE PURCHASE OF A NEW HOME.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

**Approved by the Governor, April 12, 2011.**