

SENATE BILL 16

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(PRE-FILED)

By: **Senator Reilly**

Requested: September 10, 2019

Introduced and read first time: January 8, 2020

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Business Occupations and Professions – Master Electricians Guaranty Fund –**
3 **Establishment**

4 FOR the purpose of requiring the State Board of Master Electricians to establish a Master
5 Electricians Guaranty Fund; requiring the State Board to maintain the Fund at a
6 certain monetary level, submit a certain report, deposit certain money into the Fund,
7 and administer the Fund; requiring applicants for a State license to provide electrical
8 services to pay a certain fee into the Fund; requiring the State Board to assess State
9 licensees a certain fee if the State Board finds that the Fund may fall below a certain
10 monetary level; providing for the suspension of a State license in certain
11 circumstances; authorizing a claimant to recover compensation from the Fund under
12 certain circumstances; requiring claimants to comply with written agreements to
13 submit disputes to arbitration before seeking recovery from the Fund; authorizing
14 the State Board to deny a claim under certain circumstances; establishing certain
15 limits on the recovery of a claimant; prohibiting certain persons from making claims
16 against the Fund; requiring a claim to be brought within a certain period of time;
17 specifying procedures for recovering money from the Fund; requiring the State Board
18 to provide notice of a claim to a State licensee; requiring the State Board to review
19 and investigate claims in a certain manner; authorizing the State Board to take
20 certain actions based on its review and investigation; providing the procedure for
21 sending and responding to the State Board's proposed orders; establishing that the
22 claimant has the burden of proof at a hearing on a claim; authorizing the State Board
23 to join a proceeding on a claim against the Fund with a disciplinary proceeding under
24 certain circumstances; prohibiting a claimant from concurrently submitting a claim
25 to recover from the Fund and bringing an action in court based on the same facts;
26 providing that the State Board must stay its proceedings if a claimant brings an
27 action in a court based on the same facts as the pending claim; providing that the
28 State Board shall approve or dismiss claims according to a final judgment or award
29 in arbitration; authorizing the State Board to order payment of a claim against the
30 Fund only under certain circumstances; specifying the order of payment of claims

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



from the Fund; specifying the procedure for payment when there is not enough money in the Fund; providing that the State Board has a right to reimbursement from a certain State licensee for money paid from the Fund; authorizing the State Board to suspend a State license under certain circumstances; defining a certain term; providing for the application of this Act; and generally relating to the Master Electricians Guaranty Fund.

BY adding to

Article – Business Occupations and Professions

Section 6–5A–01 through 6–5A–11 to be under the new subtitle “Subtitle 5A. Master Electricians Guaranty Fund”

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)

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

Article – Business Occupations and Professions

SUBTITLE 5A. MASTER ELECTRICIANS GUARANTY FUND.

6–5A–01.

IN THIS SUBTITLE, “ACTUAL LOSS” MEANS THE COSTS OF RESTORATION, REPAIR, REPLACEMENT, OR COMPLETION THAT ARISE FROM UNWORKMANLIKE, INADEQUATE, OR INCOMPLETE ELECTRICAL SERVICES.

6–5A–02.

THIS SUBTITLE DOES NOT:

(1) LIMIT THE AUTHORITY OF THE STATE BOARD TO TAKE DISCIPLINARY ACTION AGAINST A STATE LICENSEE UNDER SUBTITLE 3 OF THIS TITLE;

(2) LIMIT THE AVAILABILITY OF OTHER REMEDIES TO A CLAIMANT;
OR

(3) REQUIRE A CLAIMANT TO EXHAUST ADMINISTRATIVE REMEDIES BEFORE THE STATE BOARD BEFORE BRINGING AN ACTION IN COURT.

6–5A–03.

(A) THE STATE BOARD SHALL:

1 (1) ESTABLISH A MASTER ELECTRICIANS GUARANTY FUND;

2 (2) KEEP THE FUND AT A LEVEL OF AT LEAST \$250,000; AND

3 (3) SUBMIT A REPORT DETAILING ACTIONS BEING TAKEN TO
4 RESTORE THE BALANCE OF THE FUND TO A SUSTAINABLE LEVEL TO THE SENATE
5 EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE
6 HOUSE ECONOMIC MATTERS COMMITTEE WITHIN 30 DAYS OF PROJECTING THAT
7 THE FUND BALANCE WILL BE LESS THAN \$250,000.

8 (B) (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE STATE BOARD
9 SHALL DEPOSIT ALL MONEY COLLECTED TO THE CREDIT OF THE FUND WITH THE
10 STATE TREASURER FOR PLACEMENT IN A SPECIAL ACCOUNT.

11 (2) (I) THE STATE TREASURER SHALL INVEST THE MONEY IN THE
12 FUND IN THE SAME WAY THAT MONEY IN THE STATE RETIREMENT AND PENSION
13 SYSTEM IS INVESTED.

14 (II) INVESTMENT EARNINGS SHALL BE CREDITED TO THE FUND.

15 (C) THE STATE BOARD SHALL ADMINISTER THE FUND IN ACCORDANCE
16 WITH THIS SUBTITLE.

17 **6-5A-04.**

18 (A) BEFORE THE STATE BOARD ISSUES A STATE LICENSE, THE APPLICANT
19 SHALL PAY A FEE OF \$100 TO BE CREDITED TO THE FUND.

20 (B) (1) IF THE STATE BOARD FINDS THAT, BECAUSE OF PENDING CLAIMS,
21 THE AMOUNT OF THE FUND MAY FALL BELOW \$250,000, THE STATE BOARD SHALL
22 ASSESS EACH STATE LICENSEE A FEE OF \$50.

23 (2) THE STATE BOARD MAY NOT ASSESS A STATE LICENSEE MORE
24 THAN \$150 IN A CALENDAR YEAR UNDER THIS SUBSECTION.

25 (C) IF A STATE LICENSEE FAILS TO PAY AN ASSESSMENT WITHIN 60 DAYS
26 AFTER NOTICE OF THE ASSESSMENT, THE STATE LICENSE SHALL BE SUSPENDED
27 UNTIL THE ASSESSMENT IS PAID.

28 **6-5A-05.**

29 (A) SUBJECT TO THIS SUBTITLE, A CLAIMANT MAY RECOVER
30 COMPENSATION FROM THE FUND FOR AN ACTUAL LOSS THAT RESULTS FROM AN

1 ACT OR OMISSION BY A STATE LICENSEE AS FOUND BY THE STATE BOARD OR A
2 COURT OF COMPETENT JURISDICTION.

3 (B) A CLAIMANT SHALL COMPLY WITH A WRITTEN AGREEMENT TO SUBMIT
4 A DISPUTE TO ARBITRATION BEFORE SEEKING RECOVERY FROM THE FUND.

5 (C) THE STATE BOARD MAY DENY A CLAIM IF THE STATE BOARD FINDS
6 THAT THE CLAIMANT UNREASONABLY REJECTED GOOD-FAITH EFFORTS BY THE
7 STATE LICENSEE TO RESOLVE THE CLAIM.

8 (D) THE STATE BOARD MAY NOT AWARD FROM THE FUND:

9 (1) MORE THAN \$20,000 TO ONE CLAIMANT FOR ACTS OR OMISSIONS
10 OF ONE STATE LICENSEE;

11 (2) MORE THAN \$100,000 TO ALL CLAIMANTS FOR ACTS OR
12 OMISSIONS OF ONE STATE LICENSEE UNLESS, AFTER THE STATE BOARD HAS PAID
13 \$100,000 BASED ON ACTS OR OMISSIONS OF THE STATE LICENSEE, THE STATE
14 LICENSEE REIMBURSES \$100,000 TO THE FUND;

15 (3) AN AMOUNT FOR ATTORNEY'S FEES, CONSEQUENTIAL DAMAGES,
16 COURT COSTS, INTEREST, PERSONAL INJURY DAMAGES, OR PUNITIVE DAMAGES;

17 (4) AN AMOUNT AS A RESULT OF A DEFAULT JUDGMENT IN COURT; OR

18 (5) AN AMOUNT IN EXCESS OF THE AMOUNT PAID BY OR ON BEHALF
19 OF THE CLAIMANT TO THE STATE LICENSEE AGAINST WHOM THE CLAIM IS FILED.

20 (E) A CLAIM AGAINST THE FUND BASED ON THE ACT OR OMISSION OF A
21 PARTICULAR STATE LICENSEE MAY NOT BE MADE BY:

22 (1) A SPOUSE OR OTHER IMMEDIATE RELATIVE OF THE STATE
23 LICENSEE;

24 (2) AN EMPLOYEE, AN OFFICER, OR A PARTNER OF THE STATE
25 LICENSEE; OR

26 (3) AN IMMEDIATE RELATIVE OF AN EMPLOYEE, AN OFFICER, OR A
27 PARTNER OF THE STATE LICENSEE.

28 (F) A CLAIM SHALL BE BROUGHT AGAINST THE FUND WITHIN 3 YEARS
29 AFTER THE CLAIMANT DISCOVERED OR, BY USE OF ORDINARY DILIGENCE, SHOULD
30 HAVE DISCOVERED THE LOSS OR DAMAGE.

1 **6-5A-06.**

2 **TO BEGIN A PROCEEDING TO RECOVER FROM THE FUND, A CLAIMANT SHALL**
3 **SUBMIT TO THE STATE BOARD A CLAIM, UNDER OATH, THAT STATES:**

- 4 **(1) THE AMOUNT CLAIMED BASED ON THE ACTUAL LOSS;**
5 **(2) THE FACTS GIVING RISE TO THE CLAIM;**
6 **(3) ANY OTHER EVIDENCE THAT SUPPORTS THE CLAIM; AND**
7 **(4) ANY OTHER INFORMATION THAT THE STATE BOARD REQUIRES.**

8 **6-5A-07.**

9 **(A) THE PROCEDURES FOR NOTICE, HEARINGS, AND JUDICIAL REVIEW**
10 **THAT APPLY TO PROCEEDINGS UNDER SUBTITLE 3 OF THIS TITLE ALSO APPLY TO**
11 **PROCEEDINGS TO RECOVER FROM THE FUND.**

12 **(B) ON RECEIPT OF A CLAIM, THE STATE BOARD SHALL:**

13 **(1) SEND A COPY OF THE CLAIM TO THE STATE LICENSEE ALLEGED**
14 **TO BE RESPONSIBLE FOR THE ACTUAL LOSS; AND**

15 **(2) REQUIRE A WRITTEN RESPONSE TO THE CLAIM WITHIN 10 DAYS.**

16 **(C) (1) THE STATE BOARD:**

17 **(I) SHALL REVIEW THE CLAIM AND ANY RESPONSE TO IT; AND**

18 **(II) MAY INVESTIGATE THE CLAIM.**

19 **(2) ON THE BASIS OF ITS REVIEW AND ANY INVESTIGATION, THE**
20 **STATE BOARD MAY:**

21 **(I) SET THE MATTER FOR A HEARING;**

22 **(II) DISMISS THE CLAIM IF THE CLAIM IS FRIVOLOUS, LEGALLY**
23 **INSUFFICIENT, OR MADE IN BAD FAITH; OR**

24 **(III) ISSUE A PROPOSED ORDER TO PAY ALL OR PART OF THE**
25 **CLAIM OR DENY THE CLAIM IF THE TOTAL CLAIM AGAINST A PARTICULAR STATE**

LICENSEE DOES NOT EXCEED \$7,500.

(D) (1) THE STATE BOARD SHALL SEND THE PROPOSED ORDER TO THE CLAIMANT AND THE STATE LICENSEE, AT THE MOST RECENT ADDRESS ON RECORD WITH THE STATE BOARD, BY:

(I) PERSONAL DELIVERY; OR

(II) BOTH CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND REGULAR MAIL.

(2) WITHIN 21 DAYS AFTER SERVICE, RECEIPT, OR ATTEMPTED DELIVERY OF THE PROPOSED ORDER, THE CLAIMANT OR STATE LICENSEE MAY SUBMIT TO THE STATE BOARD:

(I) A WRITTEN REQUEST FOR A HEARING BEFORE THE STATE BOARD; OR

(II) A WRITTEN EXCEPTION TO THE PROPOSED ORDER.

(3) IF THE CLAIMANT OR STATE LICENSEE SUBMITS A TIMELY EXCEPTION TO THE PROPOSED ORDER, THE STATE BOARD MAY:

(I) ISSUE A REVISED PROPOSED ORDER;

(II) SET A HEARING ON THE CLAIM; OR

(III) DISMISS THE CLAIM.

(4) UNLESS THE CLAIMANT OR STATE LICENSEE SUBMITS A TIMELY REQUEST FOR A HEARING OR A TIMELY EXCEPTION, THE PROPOSED ORDER IS FINAL.

(E) AT A HEARING ON A CLAIM, THE CLAIMANT HAS THE BURDEN OF PROOF.

6-5A-08.

(A) (1) THE STATE BOARD MAY JOIN A PROCEEDING ON A CLAIM AGAINST THE FUND WITH A DISCIPLINARY PROCEEDING AGAINST A STATE LICENSEE UNDER SUBTITLE 3 OF THIS TITLE IF THE DISCIPLINARY HEARING IS BASED ON THE SAME FACTS ALLEGED IN THE CLAIM.

(2) IN A CONSOLIDATED PROCEEDING, THE CLAIMANT IS A PARTY

1 AND MAY PARTICIPATE IN THE HEARING TO THE EXTENT NECESSARY TO ESTABLISH
2 THE CLAIM.

3 (B) (1) NOTWITHSTANDING § 6-5A-02(2) OF THIS SUBTITLE, A CLAIMANT
4 MAY NOT CONCURRENTLY SUBMIT A CLAIM TO RECOVER FROM THE FUND AND
5 BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION AGAINST A STATE
6 LICENSEE BASED ON THE SAME FACTS ALLEGED IN THE CLAIM.

7 (2) IF THE CLAIMANT BRINGS AN ACTION IN A COURT OF COMPETENT
8 JURISDICTION BASED ON THE SAME FACTS ALLEGED IN A PENDING CLAIM, THE
9 STATE BOARD SHALL STAY ITS PROCEEDINGS ON THE CLAIM UNTIL THERE IS A
10 FINAL JUDGMENT AND ALL RIGHTS TO APPEAL ARE EXHAUSTED.

11 (3) (I) TO THE EXTENT THAT A FINAL JUDGMENT OR FINAL AWARD
12 IN ARBITRATION IS DECIDED IN FAVOR OF THE CLAIMANT, THE STATE BOARD SHALL
13 APPROVE THE CLAIM AGAINST THE FUND.

14 (II) IF A FINAL JUDGMENT OR FINAL AWARD IN ARBITRATION IS
15 DECIDED IN FAVOR OF THE DEFENDANT, THE STATE BOARD SHALL DISMISS THE
16 CLAIM AGAINST THE FUND.

17 6-5A-09.

18 (A) THE STATE BOARD MAY ORDER PAYMENT OF A CLAIM AGAINST THE
19 FUND ONLY IF:

20 (1) THE DECISION OR ORDER OF THE STATE BOARD IS FINAL IN
21 ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE
22 AND ALL RIGHTS OF APPEAL ARE EXHAUSTED; OR

23 (2) THE CLAIMANT PROVIDES THE STATE BOARD WITH A CERTIFIED
24 COPY OF A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION OR A FINAL
25 AWARD IN ARBITRATION, WITH ALL RIGHTS OF APPEAL EXHAUSTED, IN WHICH THE
26 COURT OR ARBITRATOR:

27 (I) EXPRESSLY HAS FOUND ON THE MERITS THAT THE
28 CLAIMANT IS ENTITLED TO RECOVER UNDER § 6-5A-05(A) OF THIS SUBTITLE; AND

29 (II) HAS FOUND THE VALUE OF THE ACTUAL LOSS.

30 (B) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
31 STATE BOARD SHALL PAY APPROVED CLAIMS IN THE ORDER SUBMITTED.

(2) IF APPROVED CLAIMS SUBMITTED TO THE STATE BOARD AGAINST A STATE LICENSEE EXCEED \$100,000 LESS THE AMOUNT OF UNREIMBURSED CLAIM PAYMENTS PREVIOUSLY MADE FOR THE STATE LICENSEE, THE STATE BOARD MAY PAY THE APPROVED CLAIMS PROPORTIONATELY SO THAT EACH CLAIMANT RECEIVES THE SAME PERCENTAGE PAYMENT OF THE CLAIMS.

(3) AFTER THE FUND IS REIMBURSED, THE STATE BOARD SHALL PAY UNSATISFIED APPROVED CLAIMS.

(C) IF THERE IS NOT SUFFICIENT MONEY IN THE FUND TO PAY AN APPROVED CLAIM WHOLLY OR PARTLY, THE STATE BOARD SHALL PAY UNPAID CLAIMS:

(1) WHEN SUFFICIENT MONEY IS DEPOSITED IN THE FUND; AND

(2) IN THE ORDER THAT EACH CLAIM ORIGINALLY WAS FILED WITH A COURT OF COMPETENT JURISDICTION OR SUBMITTED TO THE STATE BOARD.

6-5A-10.

(A) (1) AFTER THE STATE BOARD PAYS A CLAIM FROM THE FUND:

(I) THE STATE BOARD IS SUBROGATED TO ALL RIGHTS OF THE CLAIMANT IN THE CLAIM UP TO THE AMOUNT PAID;

(II) THE CLAIMANT SHALL ASSIGN TO THE STATE BOARD ALL RIGHTS OF THE CLAIMANT IN THE CLAIM UP TO THE AMOUNT PAID; AND

(III) THE STATE BOARD HAS A RIGHT TO REIMBURSEMENT OF THE FUND BY THE STATE LICENSEE THAT THE STATE BOARD FINDS RESPONSIBLE FOR THE ACT OR OMISSION GIVING RISE TO THE CLAIM FOR:

1. THE AMOUNT PAID FROM THE FUND; AND

2. INTEREST ON THAT AMOUNT AT AN ANNUAL RATE OF AT LEAST 10%, AS SET BY THE STATE BOARD.

(2) ALL MONEY THAT THE STATE BOARD RECOVERS ON A CLAIM SHALL BE DEPOSITED IN THE FUND.

(B) IF, WITHIN 60 DAYS AFTER THE STATE BOARD GIVES NOTICE, A STATE LICENSEE ON WHOSE ACCOUNT A CLAIM WAS PAID DOES NOT REIMBURSE THE FUND IN FULL, THE STATE BOARD MAY SUE THE STATE LICENSEE IN A COURT OF

1 **COMPETENT JURISDICTION FOR THE UNREIMBURSED AMOUNT.**

2 **(C) THE STATE BOARD IS ENTITLED TO A JUDGMENT FOR THE**
3 **UNREIMBURSED AMOUNT IF THE STATE BOARD PROVES THAT:**

4 **(1) A CLAIM WAS PAID FROM THE FUND ON ACCOUNT OF THE**
5 **LICENSEE;**

6 **(2) THE STATE LICENSEE HAS NOT REIMBURSED THE FUND IN FULL;**

7 **(3) THE STATE LICENSEE WAS GIVEN NOTICE AND AN OPPORTUNITY**
8 **TO PARTICIPATE IN A HEARING ON THE CLAIM BEFORE THE STATE BOARD; AND**

9 **(4) (I) THE STATE BOARD DIRECTED PAYMENT BASED ON A FINAL**
10 **JUDGMENT OF A COURT OF COMPETENT JURISDICTION OR A FINAL AWARD IN**
11 **ARBITRATION; OR**

12 **(II) THE DECISION OR ORDER OF THE STATE BOARD IS FINAL IN**
13 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE**
14 **AND THERE IS NO PENDING APPEAL.**

15 **(D) THE STATE BOARD MAY REFER TO THE CENTRAL COLLECTION UNIT**
16 **FOR COLLECTION UNDER §§ 13-912 THROUGH 13-919 OF THE TAX – GENERAL**
17 **ARTICLE A DEBT OWED TO THE STATE BOARD BY A STATE LICENSEE ON WHOSE**
18 **ACCOUNT A CLAIM WAS PAID FROM THE FUND AND WHO IS AT LEAST 1 YEAR BEHIND**
19 **IN REIMBURSEMENT PAYMENTS TO THE FUND.**

20 **(E) FOR THE PURPOSE OF EXCEPTING TO A DISCHARGE OF A STATE**
21 **LICENSEE UNDER FEDERAL BANKRUPTCY LAW, THE STATE BOARD IS A CREDITOR**
22 **OF THE STATE LICENSEE FOR THE AMOUNT PAID FROM THE FUND.**

23 **(F) (1) (I) IF A PERSON LIABLE FOR REIMBURSING THE FUND UNDER**
24 **THIS SECTION RECEIVES A DEMAND FOR REIMBURSEMENT AND FAILS TO**
25 **REIMBURSE THE FUND, THE REIMBURSEMENT AMOUNT AND ANY ACCRUED**
26 **INTEREST OR COST ARE A LIEN IN FAVOR OF THE STATE ON ANY REAL PROPERTY OF**
27 **THE PERSON IF THE LIEN IS RECORDED AND INDEXED AS PROVIDED IN THIS**
28 **SUBSECTION.**

29 **(II) INTEREST SHALL CONTINUE AT THE RATE OF INTEREST ON**
30 **A JUDGMENT AS PROVIDED IN § 11-107(A) OF THE COURTS ARTICLE UNTIL THE**
31 **FULL AMOUNT DUE THE FUND IS PAID.**

32 **(2) THE LIEN IN FAVOR OF THE STATE CREATED BY THIS SUBSECTION**

1 MAY NOT ATTACH TO SPECIFIC PROPERTY UNTIL THE STATE CENTRAL COLLECTION
2 UNIT RECORDS WRITTEN NOTICE OF THE LIEN IN THE OFFICE OF THE CLERK OF THE
3 COURT FOR THE COUNTY IN WHICH THE PROPERTY SUBJECT TO THE LIEN OR ANY
4 PART OF THE PROPERTY IS LOCATED.

5 (3) THE LIEN IN FAVOR OF THE STATE CREATED BY THIS SUBSECTION
6 DOES NOT HAVE PRIORITY AS TO ANY SPECIFIC PROPERTY OVER ANY PERSON WHO
7 IS A LIENHOLDER OF RECORD AT THE TIME THE NOTICE REQUIRED UNDER
8 PARAGRAPH (2) OF THIS SUBSECTION IS RECORDED.

9 (4) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS
10 SUBSECTION SHALL CONTAIN:

11 (I) THE NAME AND ADDRESS OF THE PERSON AGAINST WHOSE
12 PROPERTY THE LIEN EXISTS;

13 (II) THE AMOUNT OF THE LIEN;

14 (III) A DESCRIPTION OF OR REFERENCE TO THE PROPERTY
15 SUBJECT TO THE LIEN; AND

16 (IV) THE DATE THE FUND PAID THE CLAIM GIVING RISE TO THE
17 LIEN.

18 (5) ON PRESENTATION OF A RELEASE OF ANY LIEN IN FAVOR OF THE
19 STATE CREATED BY THIS SUBSECTION, THE CLERK OF THE COURT IN WHICH THE
20 LIEN IS RECORDED AND INDEXED SHALL RECORD AND INDEX THE RELEASE AND
21 SHALL NOTE IN THE LIEN DOCKET THE DATE THE RELEASE IS FILED AND THE FACT
22 THAT THE LIEN IS RELEASED.

23 (6) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS
24 SUBSECTION AND ANY RELEASE FILED UNDER PARAGRAPH (5) OF THIS SUBSECTION
25 SHALL BE INDEXED WITH THE JUDGMENT LIEN RECORDS MAINTAINED BY THE
26 OFFICE OF THE CLERK OF THE COURT WHERE THE NOTICE IS RECORDED.

27 (7) THE CLERK MAY COLLECT A REASONABLE FEE FOR RECORDING
28 AND INDEXING EACH NOTICE OF LIEN OR RELEASE OF ANY LIEN UNDER THIS
29 SUBSECTION.

30 6-5A-11.

31 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, IF THE
32 STATE BOARD PAYS A CLAIM AGAINST THE FUND BASED ON AN ACT OR OMISSION

1 OF A STATE LICENSEE, THE STATE BOARD MAY SUSPEND THE LICENSE UNTIL THE
2 STATE LICENSEE REIMBURSES THE FUND IN FULL FOR:

3 (1) THE AMOUNT PAID FROM THE FUND; AND

4 (2) INTEREST ON THAT AMOUNT AT AN ANNUAL RATE OF AT LEAST
5 10%, AS SET BY THE STATE BOARD.

6 (B) THE STATE BOARD MAY NOT SUSPEND THE LICENSE IF THE STATE
7 BOARD FINDS THAT THE STATE LICENSEE:

8 (1) DID NOT KNOW OF THE WRONGFUL CONDUCT; OR

9 (2) COULD NOT PREVENT THE VIOLATION.

10 (C) REIMBURSEMENT OF THE FUND IN FULL BY A STATE LICENSEE, BY
11 ITSELF, DOES NOT NULLIFY OR MODIFY THE EFFECT OF A DISCIPLINARY
12 PROCEEDING AGAINST A STATE LICENSEE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2020.