

March 2, 2020

The Honorable Dereck Davis  
Chairman, House Economic Matters Committee  
House Office Building, Room 231  
6 Bladen Street  
Annapolis, MD 21401

**RE: Support for House Bill 1290 (Consumer Protection - Home Improvement Contractors - Home Improvement Contracts)**

Dear Chairman Davis:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, supports House Bill 1290 (Consumer Protection - Home Improvement Contractors - Home Improvement Contracts).

This bill authorizes a contractor to obtain the full contract price before or at the time of beginning the home improvement work. This would be very beneficial for home contractors; posting the letters of credit allows a contractor to charge the full amount for a home improvement contract up front, which improves the contractor's cash flow. This is helpful for builders and contractors of any size, but especially for small businesses. When contractors have more flexibility and financial resources, they can charge less for their services, resulting in a lower cost of the home or home improvement project. This bill will give flexibility to the contractor. The current partial pay process in Maryland disproportionately affects smaller contractors. Also, it is important to note that Maryland is one of only three states that have the partial pay system in the country and none of our neighboring states do. This puts Maryland at a competitive disadvantage.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: House Economic Matters Committee Members