SENATE BILL 855

By: Senator Eckardt
Introduced and read first time: February 7, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Business Regulation – Home Improvement Contracts – Deposits by Financial Institutions

FOR the purpose of authorizing a person to receive a deposit for more than a certain amount of a home improvement contract price at a certain time if the deposit is being financed by certain financial institutions; and generally relating to home improvement contracts.

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 8–617
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,
Article – Financial Institutions
Section 1–101(a) and (j)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

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

Article – Business Regulation

8–617.

(a) A person may not demand or receive any payment for a home improvement before the home improvement contract is signed.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.
(b) (1) Except as provided in paragraph (2) of this subsection, a person may not receive a deposit of more than one-third of the home improvement contract price before or at the time of execution of the home improvement contract.

(2) A person may receive a deposit of more than one-third of the home improvement contract price before or at the time of execution of the home improvement contract if the full amount of the deposit is being financed by a financial institution, as defined in § 1–101 of the Financial Institutions Article.

Article – Financial Institutions

1–101.

(a) In this article, unless the context clearly requires otherwise, the following words have the meanings indicated.

(j) “Financial institution” means any financial institution of the type supervised under this article, whether or not State-chartered.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.