

# SENATE BILL 855

C2, I1

2lr2850  
CF 2lr2323

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By: **Senator Eckardt**

Introduced and read first time: February 7, 2022

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Home Improvement Contracts – Deposits by Financial**  
3 **Institutions**

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

8 BY repealing and reenacting, with amendments,  
9 Article – Business Regulation  
10 Section 8–617  
11 Annotated Code of Maryland  
12 (2015 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article – Financial Institutions  
15 Section 1–101(a) and (j)  
16 Annotated Code of Maryland  
17 (2020 Replacement Volume and 2021 Supplement)

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

20 **Article – Business Regulation**

21 8–617.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (b)   **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
2 **SUBSECTION, A person may not receive a deposit of more than one-third of the home**  
3 **improvement contract price before or at the time of execution of the home improvement**  
4 **contract.**

5                   **(2) A PERSON MAY RECEIVE A DEPOSIT OF MORE THAN ONE-THIRD**  
6 **OF THE HOME IMPROVEMENT CONTRACT PRICE BEFORE OR AT THE TIME OF**  
7 **EXECUTION OF THE HOME IMPROVEMENT CONTRACT IF THE FULL AMOUNT OF THE**  
8 **DEPOSIT IS BEING FINANCED BY A FINANCIAL INSTITUTION, AS DEFINED IN § 1-101**  
9 **OF THE FINANCIAL INSTITUTIONS ARTICLE.**

10                                   **Article – Financial Institutions**

11   1-101.

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

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

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