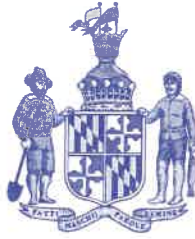


**BRIAN E. FROSH**  
*Attorney General*

**ELIZABETH F. HARRIS**  
*Chief Deputy Attorney General*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*



**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

February 11, 2020

Writer's Direct Dial No.

410-576-7942  
Fax: 410-576-7040

To: The Honorable Dereck E. Davis  
Chair, Economic Matters Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: House Bill 770 – Business Regulation – Home Improvement Contracts – Deposits  
(OPPOSE)

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The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in opposition of House Bill 770 sponsored by Delegates Christopher T. Adams, et al. This bill increases the maximum amount of a home improvement contract that can be collected as a deposit from one-third to one-half.

By collecting one-third as a deposit, a contractor is able to purchase necessary supplies without coming out of pocket. The general practice is to collect the deposit upon signing of the contract, then to charge the next one-third upon beginning work and to charge the final one-third when the work is completed. But often contractors do not finish the job, perform the work poorly, or some do not even begin the work at all. By increasing the amount of the initial deposit, it increases the harm to consumers in these situations.

The Consumer Protection Division receives complaints from consumers advising that they have been scammed by a contractor who collected a deposit and then failed to complete the work or did not even begin the work. In many of these cases the contractor can no longer be found and refuses to return phone calls. By increasing the amount that can be collected as a deposit, these situations may increase. Moreover, there can be disputes even with honest and reputable contractors. This bill diminishes the recourse available to consumers who find that the work is severely delayed, poorly done or not completed.



For these reasons, we ask that the Economic Matters Committee return an unfavorable report on this bill.

cc: The Honorable Christopher T. Adams  
The Honorable Carl Anderton, Jr.  
The Honorable Steven J. Arentz  
The Honorable Jason C. Buckel  
The Honorable Brian Chisolm  
The Honorable Paul Corderman  
The Honorable Daniel L. Cox  
The Honorable Mike Griffith  
The Honorable Kevin B. Hornberger  
The Honorable Jay A. Jacobs  
The Honorable Trent Kittleman  
The Honorable Susan W. Krebs  
The Honorable Nino Mangione  
The Honorable Johnny Mautz  
The Honorable Susan K. McComas  
The Honorable Mike McKay  
The Honorable Ric Metzgar  
The Honorable Warren E. Miller  
The Honorable Matthew Morgan  
The Honorable Charles J. Otto  
The Honorable Teresa E. Reilly  
The Honorable Sid Saab  
The Honorable Haven Shoemaker  
The Honorable Kathy Szeliga  
Members, Economic Matters Committee