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Testimony to the House Economic Matters Committee
HB 1290: Consumer Protection – Home Improvement Contractors – Home Improvement Contracts
Position: Favorable

March 2, 2020

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

Dear Chairman Davis:

The Home Depot, representing 7,750 employees at our 41 stores and 6 distribution centers across the state of Maryland, supports House Bill 1290 Consumer Protection – Home Improvement Contractors – Home Improvement Contracts.

The bill allows a home improvement contractor to obtain the full contract price before or at the time of execution of a home improvement contract, if the contractor posts an irrevocable letter of credit payable to the Division of Consumer Protection in the Office of the Attorney General in the amount of \$100,000 per home improvement contract up to \$2.0 million in total for a contractor with multiple contracts. Currently, a contractor may not demand or receive any payment or deposit of more than one-third of the home improvement contract price before or at the time of execution of the contract.

In FY18, The Home Depot executed over 91,000 home service projects. Due to the large number of service jobs, partial pay laws create a significant disruption to our operations and customer experience. In being limited to a one-third home improvement contract deposit, our relationship with the customer changes from being their service provider and retailer to a debt collector. Further, it provides the customer with the simplicity of paying once for a project rather than the inconvenience of returning to the store for a final payment.

The Home Depot respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position please contact John Dillon at 301-758-1580 or John_J_Dillon@homedepot.com.

cc: House Economic Matters Committee Members