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Economic Matters Committee



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THE MARYLAND HOUSE OF DELEGATES
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HB395

Business Regulation-Home Improvement Contracts-Deposits

- ***What does the Bill do?***

This bill allows a contractor to collect a deposit of 50% on home improvement contracts.

- ***Why is it important to pass now?***

The success of a home improvement contractor is based upon their ability to manage costs and cash flow. Most home improvement contractors have material job costs that exceeds the minimum deposit requirements allowed by the Maryland Home Improvement Commission. This puts a contractor in a negative cash flow situation before they ever step foot on the job. By allowing a 50% deposit, Maryland recognizes the need for home improvement contractors to successfully complete the work for home owners. The 50% deposit goes a long way toward allowing good contractors the ability to manage their business to the benefit of the customer.