

**Testimony to the Senate Education, Health, and Environmental Affairs Committee  
SB 467: Business Regulation-Home Improvement Commission-Award Limits  
Position: Favorable**

March 3, 2022

The Honorable Paul Pinsky, Chair  
Senate Education, Health, & Environmental Affairs Committee  
2 West, Miller Senate Office Building  
Annapolis, MD 21401  
cc: Members, Education, Health, & Environmental Affairs Committee

Chair Pinsky and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here today in strong support of SB 467. The bill increases the award limits available to consumers through the Home Improvement Commission. The Maryland Home Improvement Commission (MHIC) licenses and regulates home improvement contractors, subcontractors, and salespeople. MHIC also investigates complaints against home improvement contractors and can award damages to homeowners in cases of poor workmanship or failure to improve a contract.

Today, the maximum that a homeowner can recover for shoddy or incomplete work is \$20,000. This was often an adequate sum of money decades ago but both housing prices and the cost of home improvement projects have increased dramatically in recent years.

Due to the COVID-19 pandemic, increased demand for home improvement projects coupled with supply chain issues led to a scarcity of lumber and other materials for projects. As a result, many home improvement projects now cost 15-20% more than they would have three years ago and prices are unlikely to fall. The amount consumers can recover for incomplete work should be commensurate with the average costs of home improvement projects.

In the past, MCRC has worked with homeowners in Maryland who lost [their retirement nest eggs](#), hundreds of thousands of dollars to contractors who started and failed to complete work on their homes. This unscrupulous contractor took advantage of dozens of middle and upper income Marylanders, wiping out their savings.

While SB 467 wouldn't be able to fully restore the losses of some Maryland homeowners, for many working families, it would cover the costs of a moderate remodel and would also keep damages in line with current costs. For all these reasons, we support SB 467 and ask for a favorable report.

Best,

Marceline White, Executive Director

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