

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



HB1499 Business Regulation – Home Improvement Contracts – Deposits Economic Matters Committee March 11, 2026

Position: Favorable

Background: HB1499 would allow a person or entity to receive up to half of a home improvement contract price before or at the time of execution of the contract.

Comments: The Maryland Retailers Alliance (MRA) strongly supports **HB1499 Business Regulation - Home Improvement Contracts – Deposits**, which would allow home improvement contractors to collect up to half of a contract price at the time of execution. At this time, Maryland is one of fewer than ten states with partial pay laws remaining on the books, and HB1499 make progress towards allowing contractors to collect payment in a timely manner. Partial pay laws were written with protection in mind, and now have the unintended consequence of leaving home improvement entities with little protection when facing high material and labor costs or pursuing collection from customers who refuse to pay for services rendered. Allowing contractors to collect up to half of the agreed-upon contract price before work begins will allow projects to proceed smoothly, especially as contractors must purchase and process the individual products and supplies required for installations. The cost of building materials has increased drastically over the past five years, and increasing the amount of partial pay that contractors may collect will have an extremely positive impact on the cash flow of small businesses and independent contractors and will decrease their administrative costs spent on bookkeeping and debt collection.

Partial pay laws were devised before the advent of the large home improvement store models and were designed to protect consumers from fly-by-night contractors. Home improvement contractors today are largely unable to vanish without a trace, and must be highly cognizant of their treatment of customers in the world of 21st century social media. In addition to the ease with which customers can publicize poor treatment from a contracting company, consumers also have numerous protection options through the Consumer Protection Division and the Maryland Home Improvement Commission in the case that they are dissatisfied with a service provider.

For these reasons, MRA would respectfully urge a favorable report on HB1499. Thank you for your consideration.