



## **SB814: Residential Property - Service Agreement - Defunct Service Providers**

### **Position: Favorable**

April 2, 2026

The Honorable Kris Valderrama, Chair  
Economic Matters Committee  
Room 230, House Office Building  
Annapolis, Maryland 21401  
cc: Members, House Economic Matters

Chair Valderrama and Members of the Committee:

Economic Action Maryland Fund urges a favorable report on SB914, which would relieve property owners from service agreements where the service provider is no longer operational.

For homeowners who entered a service contract after 2023, Maryland's law protects them from being bound in perpetuity to that contract. These recent contracts cannot last for more than one year, run with the land, or be considered a lien on the property. However, service contracts entered into before that time are not similarly protected.

SB814 would establish protections for homeowners caught up in these older service contracts. It frees homeowners who are bound to a contract with an entity that is no longer in operation, and ensures those contracts will not become an unresolvable lien or encumbrance on the property.

Industry data shows that 50% of home service businesses fail in the first five years.<sup>1</sup> Homeowners with older contracts very often face an impossible situation where they have a contract that cannot be resolved and this legislation would clear them of that conflict.

For these reasons, we urge a favorable report on SB814.

Sincerely,  
Jennifer Bevan-Dangel, Deputy Director

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<sup>1</sup> <https://www.titansofchange.com/why-80-of-home-service-businesses-fail-in-5-years/>

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*