

March 11, 2026

The Honorable Kriselda Valderrama
Chair, House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Support HB 1499 - Business Regulation - Home Improvement Contracts - Deposits

Dear Chair Valderrama,

The Maryland Building Industry Association writes to express support for HB1499, increasing the maximum deposit that may be collected under a home improvement contract from one-third to one-half of the total contract price.

Home improvement projects often require contractors to purchase materials, secure labor, and cover other upfront costs before work can begin. The current one-third cap on deposits can create financial challenges for contractors, particularly small and mid-sized businesses, by requiring them to absorb significant upfront expenses or rely on costly financing.

Increasing the allowable deposit to one-half of the contract price provides contractors with greater financial flexibility to purchase materials, secure subcontractors, and begin projects in a timely manner. This change better reflects the realities of modern construction costs and supply chain conditions, where materials frequently must be ordered and paid for well in advance of installation.

At the same time, contractors remain fully bound by contract obligations and consumer protection laws governing home improvement work. Allowing a slightly larger upfront deposit can help ensure projects begin promptly, reduce delays associated with financing materials, and support the stability of local construction and home improvement businesses.

For these reasons, we respectfully urge the Committee to give this legislation a favorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Economic Matters Committee