



HB1499 Business Regulation-Home Improvement Contracts-Deposits
Position: Unfavorable

March 11, 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 respectfully requests an unfavorable report on HB1499. HB1499 would increase the amount home improvement contractors can collect before work begins from one-third of the cost of the full contract to one-half of the costs.

Under current law, putting one-third down at the start of the project provides support to the contractor while withholding two-thirds of the cost of the contract can provide homeowners with protection and leverage to ensure that the project is completed in a timely manner to the agreed-upon terms.

In the 2011 documentary, *Stealing Trust: Marylanders Speak Out on Frauds, Scams, and Financial Abuses*¹ Economic Action documented the stories of many Maryland homeowners who trusted contractors with their most valuable possession: their homes. Consumers from across the state shared stories of trusting contractors who then never finished the work despite being paid thousands and thousands of dollars -- people's life savings -- up front. Startlingly, older adults, who often need repairs and modifications to enable them to age in place, are the most likely to be scammed in this way. If HB1499 were to pass, this situation would become more common and even more devastating.

More recently, last summer Montgomery County's Office of Consumer Protection received complaints from homeowners in the county who had put down large deposits for home improvement projects with a deceitful contractor who never completed or at times never began the work². More than 40 homeowners lost large sums of money, many of them paid more than one-third of the costs of the contract.

The single most important piece of consumer advice we give to homeowners planning home improvement, "Wait until the work is done and approved by your local jurisdiction (if necessary) to pay the final bill. Don't finish paying for the job until the work is complete and you can inspect the

¹ http://www.marylandconsumers.org/consumer_education/films_and_videos

² <https://content.govdelivery.com/accounts/MDMONTGOMERY/bulletins/3e9bd42?reqfrom=share>



work. The more of the bill you can withhold until final payment, the safer you will be.³ In fact, we advise that, “Reputable contractors generally don’t demand full payment until the job is done, local inspection officials have approved the work, and the homeowner can inspect it.” HB1499 would

allow contractors to require the half of the bill be paid before *any* work is completed. It significantly diminishes the leverage consumers have to ensure that a contractor provides quality service in a reasonable time frame.

For all these reasons, we support HB1499 and urge a favorable report.

Best,

Marceline White
Executive Director

³ *How to Improve Your Home Without Losing Your Shirt*. Maryland Consumer Rights Coalition.
http://www.marylandconsumers.org/penn_station/folders/issues/housing/home_improvement/Home_Improvement.p