



CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General

WILLIAM D. GRUHN
Division Chief

STEVEN M. SAKAMOTO-WENGEL
*Executive Counsel to the
Attorney General*

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief Of Staff

**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION**

ANTHONY G. BROWN
Attorney General

March 11, 2026

TO: The Honorable Kriselda Valderrama, Chair
Economic Matters Committee

FROM: Steven M. Sakamoto-Wengel
Executive Counsel to the Attorney General

RE: House Bill 1499 – Business Regulation - Home Improvement Contracts –
Deposits (OPPOSE)

The Consumer Protection Division of the Office of the Attorney General opposes House Bill 1499, sponsored by Delegates Adams, et al. This bill would increase the maximum amount of a home improvement contract price that can be collected as a deposit from one-third to one-half. By collecting one-third as a deposit, a contractor is able to purchase necessary supplies to begin the job without having to pay out of pocket. The general practice is to collect the deposit upon signing of the contract, then to charge the next one-third upon beginning work and to charge the final one-third when the work is completed. But often contractors do not finish the job, perform the work poorly, or some do not even begin the work at all. By increasing the amount of the initial deposit, HB 1499 increases the harm to consumers in these situations.

The Consumer Protection Division receives complaints from consumers that they have been scammed by a contractor who collected a deposit and then failed to complete the work or did not even begin the work. In many of these cases the contractor can no longer be found and refuses to return phone calls. By increasing the amount that can be collected as a deposit, these situations may increase and the harm that consumers suffer will certainly increase. Moreover, there can be disputes even with honest and reputable contractors. This bill diminishes the recourse available to consumers who find that the work is severely delayed, poorly done, or not completed. While the Home Improvement Guaranty Fund is available to consumers who have suffered an actual loss due to the actions of a licensed contractor, the recovery process can take years, the recoveries are capped, and it is preferable for a consumer to be able to have part of the contract price available up front as an incentive to have the contractor perform the work properly and on time.

The Honorable Kriselda Valderrama, Chair
House Bill 1499
March 11, 2026
Page Two

For these reasons, the Consumer Protection Division respectfully requests that the Economic Matters Committee return an unfavorable report on HB 1499.

cc: The Honorable Christopher T. Adams
The Honorable Kevin Anderson
The Honorable Steven Arentz
The Honorable Barry Beauchamp
The Honorable Kevin Hornberger
The Honorable Thomas Hutchinson
The Honorable Susan McComas
The Honorable Todd Morgan
The Honorable Teresa Reilly
The Honorable April Rose
Members, Economic Matters Committee