

HOUSE BILL 395

C2

1lr1357

HB 770/20 – ECM

(PRE-FILED)

By: **Delegate Adams**

Requested: October 30, 2020

Introduced and read first time: January 13, 2021

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 25, 2021

CHAPTER _____

1 AN ACT concerning

2 **Business Regulation – Home Improvement Contracts – Deposits**

3 FOR the purpose of ~~increasing~~ specifying the maximum portion of a home improvement
4 contract price that a person may receive ~~as a deposit before or at the time of execution~~
5 ~~of a home improvement contract~~ when work commences on a certain project;
6 prohibiting a person from receiving the remaining amount of a home improvement
7 contract price until the completion of the home improvement specified in the
8 contract, except under certain circumstances; and generally relating to home
9 improvement contracts.

10 BY repealing and reenacting, with amendments,

11 Article – Business Regulation

12 Section 8–617

13 Annotated Code of Maryland

14 (2015 Replacement Volume and 2020 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

16 That the Laws of Maryland read as follows:

17 **Article – Business Regulation**

18 8–617.

19 (a) A person may not demand or receive any payment for a home improvement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



before the home improvement contract is signed.

(b) A person may not receive:

(1) a deposit of more than ~~one-third~~ ~~ONE-HALF~~ of the home improvement contract price before or at the time of execution of the home improvement contract;

(2) PAYMENT OF MORE THAN ONE-HALF OF THE TOTAL AMOUNT OF THE HOME IMPROVEMENT CONTRACT PRICE BEFORE WORK COMMENCES ON THE PROJECT; OR

(3) THE REMAINING AMOUNT OF THE HOME IMPROVEMENT CONTRACT PRICE:

(I) UNTIL THE HOME IMPROVEMENT SPECIFIED IN THE CONTRACT IS COMPLETE; OR

(II) FOR A CONTRACT VALUED AT \$10,000 OR MORE:

1. UNTIL THE HOME IMPROVEMENT SPECIFIED IN THE CONTRACT IS COMPLETE; OR

2. IF APPLICABLE, UNLESS PAYMENT IS RECEIVED IN THE MANNER SPECIFIED UNDER A DRAW SCHEDULE THAT THE PARTIES MUTUALLY AGREED TO AT THE TIME THE CONTRACT WAS SIGNED.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.