

Joint Committee on Consumer Protection and Professional Licensure

2025-2026 (194th) Bill Summary

BILL NUMBER: H362

TITLE: An Act relative to partial payment

SPONSOR(S): Ferrante, Ann-Margaret

HEARING DATE: April 14, 2025

REPORTING DEADLINE: June 13, 2025

PRIOR HISTORY

(2019-2020): H231 – Bill accompanied new draft H4299 reported favorably by Committee and referred to the committee on House Ways and Means.

(2021-2022): H360 – Bill accompanied new draft S2569 reported favorably by Committee and referred to the committee on Senate Ways and Means.

(2023-2024): H288 - Bill reported favorably by Committee and referred to the committee on House Ways and Means.

CURRENT LAW

Section 2 of Chapter 142A of the Massachusetts General Laws governs residential contracting agreements, and stipulates any deposit required under a contract to be paid in advance of the commencement of work shall not exceed the greater of 1/3 of the total contract price or the actual cost of any materials or equipment.

Chapter 93A of the General Laws prohibits unfair methods of competition and the use of unfair or deceptive business acts and practices against other businesses and consumers; and provides for individuals, class actions, businesses, and the Attorney General's Office to take action against such acts.

SUMMARY

This legislation seeks to amend subsection (a) of section 2 by exempting certain contractors from the "1/3 provisions" provided that such contractor furnish either a: (1) performance and payment bond; (2) lien or completion bond, or (3) bond equivalent approved by the Director of Consumer Affairs and Business Regulation covering a minimum of two million dollars. Non-compliance constitutes a Chapter 93A violation.