

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 103  
Economic Matters

(Delegate Stewart)

Finance

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Consumer Protection - Consumer Contracts - Prohibited Waivers

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This bill generally prohibits a consumer contract from waiving, limiting, impairing, or disclaiming specified remedies (if authorized by federal or State law). However, a provision in a consumer contract may limit recovery of statutory or punitive damages authorized by federal or State law to the extent of the applicable limit of insurance coverage. The bill prohibits a waiver by agreement of its requirements. The bill incorporates these provisions within Chapter 194 of 2025, which establishes that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. The bill also contains a severability clause and only applies prospectively. **The bill takes effect on the later of October 1, 2026, or the taking effect of Chapter 194, if the effective date of Chapter 194 (June 1, 2026), is amended.**

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Fiscal Summary

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary/Current Law:** As noted above, Chapter 194 establishes that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. However, this provision does not apply to: (1) any consumer contract provided by a business, including an affiliate or subsidiary of the business, that is

doing business under a license, franchise agreement, certificate, or other authorization issued by a State agency, political subdivision, or public utility commission (repealed by the bill); (2) a service regulated by the Maryland Public Service Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or (3) a person or business licensed to provide security system services under Title 18 of the Business Occupations and Professions Article. The bill also exempts from its requirements a consumer contract for a service provided by a self-service storage facility (as defined by the Maryland Self-Service Storage Act).

As with Chapter 194, the bill prohibits a court from giving effect to a provision in a consumer contract that is illegal. Additionally, the bill specifies that a court must enforce the remainder of the consumer contract to the extent practicable.

The bill (and the requirements of Chapter 194) must be construed to apply equally and without favorable treatment to a consumer contract with or without an arbitration provision. Likewise, the bill and Chapter 194 may not be construed to (1) invalidate an arbitration provision that is enforceable under the Federal Arbitration Act or (2) create a right or remedy not otherwise provided by federal or State law.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2026  
caw/jkb Third Reader - March 25, 2026  
Revised - Amendment(s) - March 25, 2026  
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