



**CAROLYN A. QUATTROCKI**  
*Chief Deputy Attorney General*

**LEONARD J. HOWIE III**  
*Deputy Attorney General*

**CARRIE J. WILLIAMS**  
*Deputy Attorney General*

**ZENITA WICKHAM HURLEY**  
*Chief, Equity, Policy, and Engagement*

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

**ANTHONY G. BROWN**  
*Attorney General*

**WILLIAM D. GRUHN**  
*Division Chief*

**PETER V. BERNIS**  
*General Counsel*

**CHRISTIAN E. BARRERA**  
*Chief Operating Officer*

**STEVEN M. SAKAMOTO-WENGEL**  
*Consumer Protection Counsel for  
Regulation, Legislation and Policy*

March 25, 2025

TO: The Honorable Pam Beidle, Chair  
Finance Committee

FROM: Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: House Bill 431 – Consumer Contracts – Limitations Periods – SUPPORT

---

The Consumer Protection Division of the Office of the Attorney General supports House Bill 431, sponsored by Delegate Stewart, which would prohibit a consumer contract from reducing the statute of limitations to bring an action under the contract below that provided by Maryland law.

Consumer contracts are, for all intents and purposes, non-negotiable. The terms are set by the business and, even if a consumer understands the terms of the contract well enough to alter its terms, rarely can be changed by the consumer. And apart from major contracts such as a home purchase, hiring an attorney to review a consumer contract is prohibitively expensive.

Allowing a business to reduce the three-year statute of limitations in a consumer contract harms Maryland consumers by limiting the consumer's ability to bring an action against the business if the business breaches the contract. The Court of Appeals of Maryland, now the Supreme Court, has determined that shortening the statute of limitations in a consumer contract may be unreasonable. In *Ceccone v. Carroll Home Services, LLC*, 454 Md. 680 (2017), the Court discussed the purpose behind limitations:

Statutes of limitations are designed to balance the competing interests of plaintiffs, defendants, and the public. A statutory period of limitations represents a policy judgment by the Legislature that serves the interest of a plaintiff in having adequate time to investigate a cause of action and file suit, the interest of a defendant in having certainty that there will not be a need to respond to a

potential claim that has been unreasonably delayed, and the general interest of society in judicial economy, [Cites omitted] In enacting the three-year statute of limitations that governs most tort and contract actions, the General Assembly made a policy decision as to an appropriate deadline for filing of such a claim by a reasonably diligent plaintiff.

*Ceccone*, 454 Md. At 691. The Court noted that, absent a controlling statute to the contrary, a provision shortening the statute of limitations may be allowed, as long as it is reasonable. However, the Court also noted that many of the cases upholding shortened limitations periods “involve sophisticated contracts between parties with roughly similar bargaining power.” Such is not the case with consumer contracts.

The Division strongly encourages the Finance Committee to pass House Bill 431 without the amendments added to the cross-file, Senate Bill 413. Those amendments would exempt regulated businesses from the coverage of the bill, regardless of whether the regulator has adopted any rules regarding statutes of limitations. The exemptions would exclude the vast majority of consumer contracts from the prohibition on shortening the statute of limitations, including the home improvement contractor that was the subject of the *Ceccone* decision.

Other states have enacted prohibitions against shortening a statute of limitations, including Alabama, Florida and Texas. The Consumer Protection Division requests that the Senate Finance Committee do likewise and prohibit such provisions in consumer contracts by giving HB 431 a favorable report.

cc: The Honorable Vaughn Stewart