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**Testimony to the Senate Finance Committee**  
**SB 413 – Civil Actions – Consumer Contracts – Limitations Periods**  
**Position: Favorable**

The Honorable Pam Beidle  
Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis, MD 21401  
cc: Members, Senate Finance Committee

Feb. 6, 2025

**Honorable Chair Beidle and Members of the Committee:**

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works to secure safety, transparency, and fair treatment for Maryland drivers and consumers.

We support **SB 413** because it would ensure Maryland consumers get the benefit of the full 3-year civil statute of limitations that this legislature has established – and prevent some firms from restricting their ability to recover damages for injury or misconduct through contracts that unfairly seek to alter that timeframe.

In recent years we've seen a troubling rise in barriers to consumers' ability to use the legal system to recover damages for injuries and fraud. As is well-known, many consumer contracts now use mandatory arbitration provisions to bar or severely restrict our ability to go to court. Other companies have acted to restrict the right to recover in a less radical but nevertheless troubling way: By pushing consumers to sign contracts that shorten the timeframe for filing legal claims -- imposing, say, a one- or two-year limit rather than the three years Maryland law mandates.

Under current Maryland law, the question of whether such limitations are legally enforceable is rather murky. In a 2017 case ([Ceccone v. Carroll Home Services, LLC](#)), the Maryland Court of Appeals ruled that such limited recovery periods MAY be legal,<sup>1</sup> if a court finds they don't conflict with other laws, were not induced by fraud or misrepresentation, and appear reasonable in light of the full circumstances of the case.<sup>2</sup>

This somewhat subjective standard leaves Maryland law is a bit unclear – and means marketers can sometimes get away with implementing shorter standards (and sometimes can't). In many cases they may try to restrict recovery, even in ways that wouldn't meet the legal standard, expecting that consumers may not notice the restriction or understand how it limits their legal rights, or have the resources or ability to challenge the shortened standard.

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<sup>11</sup> <https://www.mdcourts.gov/data/opinions/coa/2017/85a16.pdf>

<sup>2</sup> <https://www.decarodoran.com/contract-provisions-shortening-the-statute-of-limitations-are-enforceable-sometimes/>



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**SB 413** would clarify the law and make sure consumers have all the time state law mandates to enforce their legal rights by declaring provisions shortening the standard **“Against Public Policy and Void”** and not a valid defense against a liability claim. It should deter efforts to impose such limitations by making their presence in a contract itself an “unfair, abusive, or deceptive practice” under Maryland’s Consumer Protection Act.

It's properly the province of the legislature to determine the statute of limitations in consumer damage cases. This bill would ensure that the standard the legislature has set applies to all consumers – and help secure fairer access to legal right to redress across all consumer transactions.

**We strongly support SB 413 and ask you to give it a FAVORABLE report.**

Sincerely,

Franz Schneiderman  
Consumer Auto