



OFFICE OF CONSUMER PROTECTION

DEPARTMENT OF COUNTY ADMINISTRATION
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February 4, 2025

Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
Annapolis, Maryland 21401

RE: ***SB413: Support-Civil Actions - Consumer Contracts - Limitations Periods***

Chair Beidle, Vice Chair Hayes and Members of the Senate Finance Committee,

Undersigned file this comment in support of SB413, a bill sponsored by Senator Waldstreicher. SB413 seeks to render void any provision of a consumer contract that sets a shorter period of time to bring an action than is required by Maryland law at the time the contract is issued. This bill also makes any such violation subject to enforcement and penalties under the Maryland Consumer Protection Act. SB413 would be a valuable tool for the Howard County Office of Consumer Protection (OCP) to protect consumers from predatory contract provisions and foster fairness in contractual relationships.

The OCP is tasked with safeguarding the interests of Howard County consumers. We are acutely aware of the challenges faced by individuals who enter consumer contracts. One such challenge is that consumers are rarely fully informed of the legal implications of terms they enter, including provisions that limit their ability to pursue redress in the event of a breach of contract. The OCP assists consumers who are left with no options after a contract provision prematurely restricts their right to bring a claim.

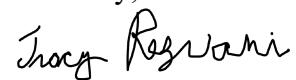
In December of 2024, the OCP received a complaint from a Maryland resident who was harmed by sharp predatory practices compounded by a limiting clause in their contract. After a flood in their basement, the homeowner retained a service provider to pick up their already boxed and packed belongings and move them to storage while their home could be restored. The company's contract required that the consumer pay the amount ultimately charged to them—an open-ended pricing contract. The contract also included a provision that prohibited claims after one year instead of the three years for typical civil claims under Md. Code Ann., Cts. & Jud. Proc. § 5-101 (West).

Before the need for storage had even expired, the company charged their homeowner's insurance policy an astounding fee of approximately \$75,000. The insurance company ultimately denied the claim noting that an appropriate fee for the moving and storage of the pre-packaged boxes would be closer to \$8,000. The business then informed the resident that it would hold their belongings in storage until it received the full fee. Under the contract's one-year provision, they were unable to bring a claim under the contract or for conversion. Had SB413 been law, they would have been guaranteed more time to file a suit to rectify the situation. At the time of this testimony, this complaint remains open with our Office, and we continue to work towards a sensible solution.

SB413 aims to codify and eliminate any end-runs around statutes of limitation and hence bring uniformity to the time frames in which consumers can bring claims. This bill would help to decrease predatory provisions in consumer contracts as well as preserve a consumer's right to claim injury within a reasonable period of time, both of which further the OCP's central mission of consumer protection. Reasonable statutes of limitations are essential to protect consumers from unfair

and deceptive trade practices and to ensure consumers have equitable access to justice in their interactions with merchants and providers.

Sincerely,

A handwritten signature in black ink that reads "Tracy Rezvani". The signature is written in a cursive style with a large initial 'T'.

Tracy D. Rezvani, Administrator

Cc: Honorable Dr. Calvin Ball III, County Executive
Maureen Evans Arthurs, Director of Government Affairs & Strategic Partnerships