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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 431 Civil Actions – Consumer Contracts – Limitations Periods

Testimony by Delegate Vaughn Stewart
March 25, 2025 | SenateFinance Committee

What the Bill Does

HB 431 aims to protect consumers by ensuring fair and reasonable timeframes for pursuing legal action under consumer contracts. The bill prohibits contracts from including provisions that reduce the timeframe for legal action to less than what is enshrined under Maryland law. Any such provisions are declared void and unenforceable, and courts are barred from recognizing them as a valid defense. Violations of this prohibition are classified as unfair, abusive, or deceptive trade practices under the Maryland Consumer Protection Act, making them subject to enforcement and penalties. The bill applies prospectively to contracts issued or delivered on or after October 1, 2025.

HB 431 passed the House (96-37).

Why the Bill is Important

HB 431 is a crucial step in leveling the playing field between consumers and corporations by protecting individuals from unfair and exploitative contractual practices. Under [Md. Code Ann., Cts. & Jud. Proc. § 5-101](#), the standard statute of limitations for contract claims in Maryland is three years. Some laws—like those protecting our seniors—have longer periods. However, many corporations take advantage of consumers by burying fine print in lengthy form contracts that shorten this timeframe, limiting individuals' ability to take legal action when they're harmed.

[Studies have shown that most consumers do not read contracts due to their excessive length and complex legal language](#), allowing corporations to exploit this lack of understanding by burying restrictive clauses in the fine print. These clauses often impose arbitrary deadlines, leaving consumers unaware of their rights and unable to hold corporations accountable. HB 431 addresses this issue by prohibiting such provisions and aligning the statute of limitations in consumer contracts with Maryland law, ensuring consumers have fair and consistent timeframes to identify and resolve disputes.

In 2017, the Maryland Court of Appeals addressed the issue of shortened statute of limitations in consumer contracts in [*Ceccone v. Carroll Home Services, LLC*](#). In this case, Richard and Daphne Ceccone entered into a furnace maintenance agreement with Carroll Home Services (CHS) that included a clause reducing the timeframe for filing claims to just one year. The Ceccones later brought tort and contract claims against CHS, alleging the company caused damage to their residence. Although they filed their complaint within the three-year statute of limitations provided by Maryland law, it was arguably more than a year after their claims had accrued. The Court ruled that such provisions could be enforceable, but only if they met criteria such as reasonableness and the absence of fraud or misrepresentation. However, this approach requires courts to assess subjective factors like bargaining power and fairness, which often leaves consumers at a disadvantage. HB 431 eliminates this uncertainty by prohibiting shortened limitation periods outright, ensuring that consumers are consistently protected.

To reinforce the prohibition of unfair contractual clauses, HB 431 provides an enforceability mechanism by classifying these practices as unfair, abusive, or deceptive trade practices under the Maryland Consumer Protection Act. This dual approach not only eliminates the use of hidden or restrictive clauses that exploit consumers but also exposes corporations to enforcement actions and penalties if they attempt to use such provisions.

Why the Committee Should Vote Favorably

Every day, hardworking Marylanders unknowingly sign away their rights by clicking “agree,” checking a box, or signing on the dotted line—only to be bound by hidden clauses that prioritize corporate interests over individual protections. These practices prey on consumers’ trust, taking advantage of those who lack the resources or expertise to challenge unfair terms. HB 431 is more than a legal fix—it’s a statement that Maryland values fairness, transparency, and the rights of its people over corporate exploitation.

The General Assembly should set statute of limitations periods by weighing the interests of justice with the interests of repose. It is unacceptable for corporations to overrule the General Assembly with buried contractual language that no one reads.

With HB 431, we allow harmed individuals to access the court system. I urge a favorable report.