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HB0591

February 11, 2025

TO: Members of the Senate Judicial Proceedings Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: HB 591 - Statute of Limitations - Prosecution or Enforcement of Local Consumer Protection Codes

POSITION: SUPPORT

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 591.

HB 591 would make the statute of limitations applicable to local consumer protection actions consistent with Maryland's three-year statute of limitations for private civil actions.

Baltimore City's recently passed consumer protection legislation, enacted via local ordinance 23-266, allows Baltimore City to investigate and bring actions against businesses that engage in unfair and deceptive trade practices that harm Baltimore residents.

The law gives Baltimore City subpoena power so it can conduct comprehensive investigations of potential bad actors. These investigations ensure that we accurately target bad behavior, that we take the time to fully understand the magnitude of the illegal conduct, and that we bring actions based on a strong evidentiary foundation.

Effective consumer protection cases often involve long, complex investigations. It can take years to properly build and prosecute a consumer protection matter.

In recognition of the complexity of these cases and the time-consuming nature of consumer protection investigations and lawsuits, comparable jurisdictions in other states are not subject to a statute of limitations for consumer protection actions.

Private causes of action under the Maryland Consumer Protection Act are subject to a three-year statute of limitations. For government actions, however, Courts and Judicial Proceedings §5-107 states that a prosecution or suit for a fine, penalty, or forfeiture shall be instituted within one year after the offense was committed¹.

A one-year statute of limitations may be sufficient in simple cases such as parking tickets or suits involving only a single violation. For complex consumer protection cases, however, a one-year statute of limitations, with no discovery rule, would only incentivize corporations to conceal bad conduct and then argue, after the conduct comes to light, that any action was time barred.

In addition, a comprehensive investigation could lead to a reasonable settlement between the parties. It would not benefit Baltimore City or businesses for the City to be forced quickly into filing lawsuits because of a short statute of limitations.

For these reasons, the BCA respectfully requests a **favorable** report on HB 591.

¹ Md. Code Ann., Cts. & Jud. Proc. § 5-107