



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

Committee: Senate Judicial Proceedings Committee

Date: April 1, 2025

Position: Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** HB 591 as passed by the House of Delegates. This legislation extends the statute of limitations for the prosecution and enforcement of local consumer protection codes from 1 year to 3 years from the date that local authorities knew or reasonably should have known that a violation occurred.

The banking industry is a heavily regulated industry that is subject to consumer protection laws at the federal, state, and local levels of government. Banks work tirelessly to ensure that they offer products and services in compliance with these laws.

MBA has concerns that the language “knew or reasonably should have known” in Line 2 on Page 2 may subject businesses to potential lawsuits and additional enforcement actions many years after a potential violation. This language will most certainly increase the cost of doing business in jurisdictions with local consumer protection codes. For example, businesses will have to look at lengthening record retention policies to ensure that they are able to defend themselves against potential violations. Lengthening these policies includes increased costs for record storage and additional data security measures.

With the concerns that the language mentioned above increases the cost of doing business, MBA urges issuance of an **UNFAVORABLE** report on HB 591.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.