

testimony2025hb591cross.pdf

Uploaded by: Franz Schneiderman

Position: FAV



Auto Consumer Alliance
13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

**Testimony to the Senate Judicial Proceedings Committee
HB 591 – Statute of Limitations –
Prosecution or Enforcement of Local Consumer Protection Codes
Position: Favorable**

The Honorable Will Smith
Judicial Proceedings Committee
2 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Judicial Proceedings Committee

April 1, 2025

Dear Chairman Smith and Committee Members,

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works to secure safety and fair treatment for Maryland drivers and car buyers.

We support **HB 591** because it will expand the ability of our state's local consumer protection offices to bring the legal actions needed to vindicate the rights of consumer who have been abused or defrauded, make that statute appropriately match Maryland's general statute of limitations for consumer recoveries, and give consumers greater safeguards against mistreatment.

Litigation is very often essential to protect consumers against abuses and establish accountability for fraudsters and firms that intentionally engage in unfair or abusive treatment of their customers. But consumer litigation is often quite complex and time-consuming. It can take years for patterns of misconduct to emerge and to be investigated properly. And once the facts have been established, of course it can take many months to put together an appropriate lawsuit or legal response.

Current rules limiting local consumer protection offices in Howard and Montgomery counties and Baltimore City to a statute of limitations of just one year to take such actions just don't allow adequate time for some of the investigations and litigation needed to protect consumers. Changing that standard to give them three years to pursue legal action, as **HB 591** mandates, would also make that standard match the general 3-year statute of limitations for consumer recovery actions this legislature has established – helping us set a fair and consistent standard for consumer actions.

Justice delayed may be justice denied. But the wheels of justice often turn slowly and the practices of our courts and investigators do take time. Giving local consumer protection offices three years after an act of fraud or abuse or other unfair trade practice to take legal action will make it possible for them to do considerably more to vindicate the rights of consumers.

We support HB 591 and ask you to give it a FAVORABLE report.

Sincerely,
Franz Schneiderman
Consumer Auto

HB0591-JPR-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

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

HB0591-JPR-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB0591

April 1, 2025

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HB0591-JPR_MACo_SUP.pdf

Uploaded by: Sarah Sample

Position: FAV



House Bill 591

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

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: April 1, 2025

From: Sarah Sample

The Maryland Association of Counties (MACo) **SUPPORTS** HB 591. This bill establishes a timeline of three years for a local jurisdiction to file a claim against an entity in violation of a local consumer protection code. This timeline begins at the time the offense was committed.

Protecting residents from predatory companies, which take advantage of consumers in need of services, is necessary to ensure communities have access to goods and services without fear of being exploited. Counties are currently authorized, in conjunction with the Attorney General's Office, to carry out various means of protection for distressed consumers in their jurisdictions. Specifically, local governments can enact local consumer protection codes and establish enforcement divisions within the county government to address claims from residents.

The provisions of this bill enable these local enforcement divisions with a longer window to effectively investigate claims as well as assign penalties and fines to entities in violation of local codes. There can be a great deal of research and discovery required to resolve these types of issues on behalf of residents who, often, have been the victim of systemic industry abuse and neglect. This is an authority and responsibility that local jurisdictions appreciate and do not take lightly. A longer window will undoubtedly enable counties to resolve these issues – especially more complicated matters – with even greater integrity as they defend the interests of community members.

As additional counties elect to handle these claims locally, the three-year window will ensure they have the necessary time to complete a thorough investigation and assign appropriate penalties on behalf of residents. For these reasons, MACo urges a **FAVORABLE** report for HB 591.

JPR HB591 FAV 2025.docx.pdf

Uploaded by: Zoe Gallagher

Position: FAV



Testimony to the Senate Judicial Proceedings Committee
HB591: Statute of Limitations-Prosecutions or Enforcement of Local Consumer Protection
Statutes
Position: Favorable

March 31, 2025

The Honorable Will Smith, Chair
Senate Judicial Proceedings Committee

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing in support of HB591. HB591 extends the statute of limitations for the prosecution or enforcement of a consumer protection code for which relief, a fine, or penalty is provided. The legislation extends the statute from one year to three years. This is a common sense change, in line with what other jurisdictions are doing, and is supported by local consumer protection bureaus.

For all these reasons, we support HB591 and ask for a favorable report.

Best,

Zoe Gallagher
Policy Associate

HB0591 - MBA - UNF - JPR - GR25.pdf

Uploaded by: Evan Richards

Position: UNF



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.

MDCC_HB 591_UNF.pdf

Uploaded by: Grason Wiggins

Position: UNF



House Bill 591

Date: April 1, 2025

Committee: Senate Judicial Proceedings

Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

As introduced, House Bill 591 (HB 591) seeks to increase the statute of limitations for prosecuting or enforcing of local consumer protection codes from one year to three years, with the time frame beginning from when local authorities knew or should have reasonably known of a violation.

Extending the statute of limitations, particularly with the clock starting upon local authorities' awareness of the violation, would lead to prolonged uncertainty for both individuals and businesses, potentially subjecting them to criminal liability for alleged actions that occurred much longer than 3 years in the past.

We urge the committee to revert the language to the original version of HB 549 from 2024 as introduced and prior to its amendment. Specifically, we recommend striking the language on page 1, lines 18 and 19 ("local authorities knew or reasonable should have known of the violation") and replacing it with "after the offense was committed".

For these reasons, the Maryland Chamber of Commerce respectfully urges an **unfavorable report** on **HB 591**.