

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 834  
Finance

(Senator Hester)

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Consumer Protection - Scam Awareness Pilot Program - Establishment (Don't  
Scam Maryland Act of 2024)

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This bill establishes the Scam Awareness Pilot Program in the Division of Consumer Protection of the Office of the Attorney General (OAG) to (1) identify the most common types of email, SMS (or texting), and telephone scamming methods used against individuals in the State; (2) develop consumer safety messages that will effectively help individuals in the State identify common scams and mitigate the risks posed by common scams; and (3) disseminate related consumer safety messages using relevant channels of communication. OAG must identify and engage specified stakeholders to provide input on the program. OAG must develop and administer the program; any funds appropriated in support of the program may not be used for purposes other than distributing consumer safety messages developed pursuant to the program authorization. By September 30, 2026, OAG, in consultation with stakeholders, must submit a report on the program to the Governor and the General Assembly. **The bill terminates June 30, 2027.**

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Fiscal Summary

**State Effect:** General fund expenditures increase, potentially by a total of \$1.0 million through FY 2027 for advertising and other outreach purposes, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Maryland consumer protection laws establish standards and rights to promote a competitive, free, and honest marketplace. Specifically, the Maryland Consumer Protection Act (MCPA) was enacted to ensure that consumers are not deceived, or provided with false or misleading information, when purchasing or using consumer goods, services, credit, or real estate. MCPA sets certain minimum standards for the protection of consumers across the State.

### *Maryland Consumer Protection Act*

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

**State Expenditures:** OAG advises that additional staff may be needed to coordinate the outreach campaign; however, the Department of Legislative Services notes the bill specifies that any funds appropriated in support of the program may only be used for *distributing* consumer safety messages. Thus, additional staff are likely not a permitted use of program funds.

OAG further advises that an advertising campaign may entail significant costs, particularly depending on the target audience. For instance, targeting seniors might primarily entail relying on print and television media. Additionally, to effectively reach across the State, several television news stations in the Baltimore, Hagerstown, Salisbury, and Washington, DC media markets likely need to be engaged. Other types of outreach via radio, social media, and other forms of advertising (*e.g.*, on public transit systems) likely

entails additional costs. An exact estimate is not feasible at this time; however, OAG anticipates costs for an advertising campaign may total between \$1.0 and \$6.0 million through the duration of the pilot program. For purposes of this analysis, it is assumed that total expenditures are limited to a *maximum* of \$1.0 million, a level of funding sufficient to meet the bill's purposes.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2024  
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