

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 431

(Delegate Stewart)

Economic Matters

Finance

---

**Consumer Protection - Consumer Contracts - Limitation Periods**

---

This bill establishes that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. The bill does not apply to: (1) any consumer contract provided by a business, including an affiliate or subsidiary of the business, that is doing business under a license, franchise agreement, certificate, or other authorization issued by a State agency, political subdivision, or public utility commission; (2) a service regulated by the Maryland Public Service Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or (3) a person or business licensed to provide security system services under Title 18 of the Business Occupations and Professions Article. The bill only applies prospectively and may not be applied or interpreted to have any effect on (or application to) any contract entered into before the bill's effective date. **The bill takes effect June 1, 2026.**

---

**Fiscal Summary**

**State Effect:** The bill does not directly affect State operations or finances.

**Local Effect:** The bill does not directly affect local government operations or finances.

**Small Business Effect:** Minimal.

---

**Analysis**

**Bill Summary:** “Consumer contract” means a contract involving the sale, lease, or provision of goods or services that are for personal, family or household purposes.

If a consumer contract contains a provision that is illegal under the bill (1) a court may not give effect to the provision and (2) a defense to liability under the consumer contract may not be based on the shorter limitation period.

**Current Law:** Generally, pursuant to § 5-101 of the Courts and Judicial Proceedings Article, a civil action must be filed within three years from the date it accrues, unless otherwise specified by State law.

---

## **Additional Information**

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

**Designated Cross File:** SB 413 (Senator Waldstreicher) - Finance.

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

**Fiscal Note History:** First Reader - January 24, 2025  
km/jkb Third Reader - March 21, 2025  
Revised - Amendment(s) - March 21, 2025  
Enrolled - April 29, 2025  
Revised - Amendment(s) - April 29, 2025

---

Analysis by: Eric F. Pierce

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510