

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 413
Finance

(Senator Waldstreicher)

Consumer Protection - Consumer Contracts - Limitations 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 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.

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: HB 431 (Delegate Stewart) - Economic Matters.

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 - February 4, 2025
km/jkb

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