

HOUSE BILL 103

I3

(6lr0878)

ENROLLED BILL

— Economic Matters/Finance —

Introduced by **Delegate Stewart**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Consumer Protection – Consumer Contracts – ~~Prohibited Waiver~~ Waivers**

3 FOR the purpose of ~~repealing~~ altering certain exemptions relating to a prohibition on a
4 consumer contract that sets a shorter time to bring an action under or on the
5 consumer contract under certain circumstances; prohibiting a consumer contract
6 from waiving, limiting, impairing, or disclaiming ~~any right conferred or created or a~~
7 ~~manner of enforcement established~~ statutory or punitive damages *certain remedies*
8 *if authorized* by federal or State law, subject to certain exemptions and a certain
9 exception; ~~establishing that a violation of this Act is an unfair, abusive, or deceptive~~
10 ~~trade practice subject to enforcement and certain civil penalties~~; prohibiting a waiver
11 by agreement of certain provisions of this Act, ~~except under certain circumstances~~;
12 and generally relating to consumer contracts.

13 ~~BY repealing and reenacting, with amendments,~~
14 ~~Article – Commercial Law~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 ~~Section 13-301(14)(xlvii)~~
 2 ~~Annotated Code of Maryland~~
 3 ~~(2025 Replacement Volume)~~

4 ~~BY repealing and reenacting, without amendments,~~
 5 ~~Article – Commercial Law~~
 6 ~~Section 13-301(14)(xlviii)~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(2025 Replacement Volume)~~

9 ~~BY adding to~~
 10 ~~Article – Commercial Law~~
 11 ~~Section 13-301(14)(xlix)~~
 12 ~~Annotated Code of Maryland~~
 13 ~~(2025 Replacement Volume)~~

14 BY repealing and reenacting, with amendments,
 15 Article – Commercial Law
 16 Section 14-1328
 17 Annotated Code of Maryland
 18 (2025 Replacement Volume)
 19 (As enacted by Chapter 194 of the Acts of the General Assembly of 2025)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 21 That the Laws of Maryland read as follows:

22 **Article – Commercial Law**

23 ~~13-301.~~

24 ~~Unfair, abusive, or deceptive trade practices include any:~~

25 ~~(14) Violation of a provision of:~~

26 ~~(xlvii) Title 14, Subtitle 50 of this article; [or]~~

27 ~~(xlviii) Section 13-411.1(e)(2) of the Transportation Article; or~~

28 ~~(XLIX) SECTION 14-1328 OF THIS ARTICLE; OR~~

29 14-1328.

30 (a) **(1)** In this section[, “consumer”] **THE FOLLOWING WORDS HAVE THE**
 31 **MEANINGS INDICATED.**

1 (2) "CONSUMER" HAS THE MEANING STATED IN § 13-101 OF THIS
2 ARTICLE.

3 (3) "CONSUMER contract" means a contract involving the sale, lease, or
4 provision of goods or services that are for personal, family, or household purposes.

5 (b) ~~This section does not apply to:~~

6 (1) ~~Any consumer contract provided by a business, including an affiliate or~~
7 ~~a subsidiary of the business, that is doing business under a license, franchise agreement,~~
8 ~~certificate, or other authorization issued by a State agency, political subdivision, or public~~
9 ~~utility commission~~ A CONSUMER CONTRACT FOR A SERVICE PROVIDED BY A
10 SELF-SERVICE STORAGE FACILITY, AS DEFINED IN § 18-501 OF THIS ARTICLE;

11 (2) A service regulated by:

12 (i) The Maryland Public Service Commission;

13 (ii) The Federal Communications Commission; or

14 (iii) The Federal Energy Regulatory Commission; or

15 (3) A person or business licensed to provide security system services under
16 Title 18 of the Business Occupations and Professions Article.

17 (c) ~~(1) A provision~~ THE EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
18 SUBSECTION, THE FOLLOWING PROVISIONS in a consumer contract ~~that~~ [sets a shorter
19 time to bring an action under or on the consumer contract than required by the law of the
20 State when the consumer contract is issued or delivered] ~~WAIVES, LIMITS, IMPAIRS, OR~~
21 ~~DISCLAIMS A RIGHT CONFERRED OR CREATED OR A MANNER OF ENFORCEMENT~~
22 ~~ESTABLISHED BY FEDERAL OR STATE LAW~~ is ARE against State public policy, illegal,
23 and void, ~~INCLUDING A:~~

24 ~~(1) (I) A PROVISION THAT WAIVES, LIMITS, IMPAIRS, OR~~
25 ~~DISCLAIMS STATUTORY OR PUNITIVE DAMAGES~~ THE FOLLOWING REMEDIES IF
26 AUTHORIZED BY FEDERAL OR STATE LAW:

27 1. STATUTORY DAMAGES;

28 2. PUNITIVE DAMAGES, INCLUDING FOR INTENTIONAL,
29 KNOWING, OR RECKLESS VIOLATIONS OF LAW;

30 3. DECLARATORY RELIEF; OR

31 4. INJUNCTIVE RELIEF; AND

1 ~~(2)~~ **(II)** A PROVISION THAT SETS A SHORTER TIME TO BRING AN
 2 ACTION UNDER OR ON THE CONSUMER CONTRACT THAN REQUIRED BY STATE LAW
 3 WHEN THE CONSUMER CONTRACT WAS ISSUED OR DELIVERED.

4 **(2)** A PROVISION IN A CONSUMER CONTRACT MAY LIMIT RECOVERY OF
 5 STATUTORY OR PUNITIVE DAMAGES AUTHORIZED BY FEDERAL OR STATE LAW TO
 6 THE EXTENT OF THE APPLICABLE LIMIT OF INSURANCE COVERAGE.

7 ~~{(d)}~~ ~~(C)~~ If a consumer contract contains a provision that is illegal under this
 8 section:

9 (1) A court [may]:

10 **(I)** MAY not give effect to the provision; and

11 **(II)** SHALL ENFORCE THE REMAINDER OF THE CONSUMER
 12 CONTRACT TO THE EXTENT PRACTICABLE; AND

13 (2) A defense to liability under the consumer contract may not be based on
 14 the [shorter limitation period] PROVISION.

15 ~~(D)~~ ~~(1)~~ ~~A VIOLATION OF THIS SECTION IS:~~

16 ~~(I)~~ ~~AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE~~
 17 ~~WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND~~

18 ~~(II)~~ ~~SUBJECT TO THE ENFORCEMENT AND PENALTY~~
 19 ~~PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT § 13-411 OF THIS~~
 20 ~~ARTICLE.~~

21 ~~(2)~~ ~~IN ADDITION TO AN ACTION FOR DAMAGES UNDER § 13-408 OF~~
 22 ~~THIS ARTICLE, A PERSON MAY BRING AN ACTION FOR DECLARATORY RELIEF OR AN~~
 23 ~~INJUNCTION TO PROHIBIT A PERSON WHO HAS ENGAGED OR IS ENGAGING IN A~~
 24 ~~VIOLATION OF THIS SECTION FROM ENGAGING IN OR CONTINUING TO ENGAGE IN~~
 25 ~~THE VIOLATION.~~

26 ~~(E)~~ ~~(D)~~ **(E)** (1) THIS SECTION SHALL BE CONSTRUED TO APPLY EQUALLY
 27 AND WITHOUT FAVORABLE TREATMENT TO A CONSUMER CONTRACT WITH OR
 28 WITHOUT AN ARBITRATION PROVISION.

29 **(2)** THIS SECTION MAY NOT BE CONSTRUED TO:

1 (I) INVALIDATE AN ARBITRATION PROVISION THAT IS
2 ENFORCEABLE UNDER THE FEDERAL ARBITRATION ACT; OR

3 (II) ~~PROHIBIT A PROVISION IN A CONSUMER CONTRACT THAT~~
4 ~~GRANTS A CONSUMER A RIGHT OR A MANNER OF ENFORCEMENT MORE EXPANSIVE~~
5 ~~OR EXTENSIVE THAN A RIGHT CONFERRED OR CREATED OR A MEANS OR MANNER OF~~
6 ~~ENFORCEMENT ESTABLISHED~~ CREATE A RIGHT OR REMEDY NOT OTHERWISE
7 PROVIDED BY FEDERAL OR STATE LAW.

8 (3) ~~(I)~~ A PROVISION OF THIS SECTION MAY NOT BE WAIVED BY
9 AGREEMENT.

10 ~~(II) A CONSUMER MAY WAIVE A RIGHT CONFERRED OR~~
11 ~~CREATED OR A MANNER OF ENFORCEMENT ESTABLISHED BY FEDERAL OR STATE~~
12 ~~LAW AS PART OF A SETTLEMENT OF A DISPUTE OR AN ACTION, UNLESS OTHERWISE~~
13 ~~PROHIBITED BY FEDERAL LAW.~~

14 SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
15 the application of any provision of this Act to any person or circumstance is held invalid for
16 any reason in a court of competent jurisdiction, the invalidity does not affect other
17 provisions or any other application of this Act that can be given effect without the invalid
18 provision or application, and for this purpose the provisions of this Act are declared
19 severable.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be construed to
21 apply only prospectively and may not be applied or interpreted to have any effect on or
22 application to any contract entered into before the effective date of this Act.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect on
24 the later of October 1, 2026, or the taking effect of Chapter 194 of the Acts of the General
25 Assembly of 2025, if the effective date of Chapter 194 is amended.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.