

## Testimony to the House Economic Matters Committee HB 37 Commercial Law-Consumer Protection-Telephone Solicitation Position: Favorable

February 9, 2023

The Honorable C.T. Wilson, Chair House Economic Matters Committee Room 231, House Office Building Annapolis, Maryland 21401 cc: Members, House Economic Matters Committee

Honorable Chair Wilson and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing today in support of HB 37.

Spam calls and calls that conceal the identity of the caller are on the rise. A report found that <u>123.8 million</u> spam calls were made to Maryland residents in one month, January 2019, an average of almost 15 calls per person for every resident of the state.

In 2021, Marylanders received more than a billion robocalls (see Robocalls in Maryland graph), about <u>424 million</u> (42%) of which were scam robocalls—or about 7 scam robocalls for each Marylander per month. The majority of these calls were scam calls designed to bilk Maryland residents of their hard-earned money.

Although there are some federal regulations related to spam calls and robocalls, they have been largely ineffective. The federal regulations provide a floor and HB 37 creates stronger state guardrails for Maryland residents by requiring affirmative consent to receive these calls. Telephone solicitors who violate HB 37 are in violation of the Maryland Consumer Protection Act and subject to its penalties and enforcement.

While HB 37 expands consumer protection and allows Maryland residents to limit these spam calls, it exempts legitimate businesses and nonprofits from the legislation.

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In our work with older adults and other consumers, we hear story after story of how an individual lost money after falling prey to a telemarketing scam. It is critical that we rein in these robocalls and spam calls and create stronger protections for our residents.

For all these reasons, we support HB 37 and urge a favorable report.

Best,

Marceline White Executive Director