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February 27, 2024

House Economic Matters Committee
The Honorable C. T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Re: HB 1299
Consumer Protection Act Amendment to
Include Trade or Commerce Violations
Support

Dear Chair Wilson and Members of the Committee:

I urge this Committee to support HB 1299.

I am an attorney who practiced law in Maryland for more than 45 years. Now largely retired except for *pro bono* work, most of my law practice involved representing consumers who experienced problems with car dealers, auto finance companies and home improvement contractors. That practice made me intimately familiar with the strengths and weaknesses of Maryland's Consumer Protection Act ("CPA"), Md. Code Ann., Section 13-101 *et seq.* I am a Past President of the Maryland Consumer Rights Coalition (now Economic Action Maryland); my statements here are my own and do not necessarily represent its views.

Maryland's CPA is the heart and soul of the General Assembly's effort to help ordinary Marylanders obtain redress when merchants deceive and harm them. It also confers upon the Maryland Attorney General significant powers to protect Marylanders, *before* or after they have been harmed. Yet for many years, there have been categories of harms that the Attorney General has been unable to reach.

The Attorney General has outlined the gaps in the CPA which HB 1299 would remedy. More than half of the states in our country already confer Trade or Commerce authority on their Attorney Generals. Without belaboring what the A.G. has already stated regarding the need for this act, HB 1299 would allow the A.G. to protect Marylanders when a wrongdoer's actions involve practices that affect trade or commerce, including the ability to protect small businesses who are victims of deceptive practices.

HB 1299 is well crafted to address what remains a weakness in our state law. For the first time, if HB 1299 passes and is signed into law, the Attorney General will have the authority to protect Marylanders against nefarious practices in trade or commerce that harm our citizens but don't fit into the traditional concept of "consumer." It will enable the A.G. to impose a cease and desist order on wrongdoers and obtain injunctive relief to protect Marylanders, as well as seek restitution if Marylanders already have been harmed by trade or commerce violations.

Sophisticated merchants know they can avoid nearly all private enforcement of Maryland's CPA by including arbitration clauses in their contracts. But Maryland's Attorney General, like those in other states, cannot be forced into arbitration. This is critical because arbitration clauses today uniformly prohibit class action lawsuits that otherwise might be available to seek a remedy for a significant number of Maryland residents. Realistically, we have only the A.G. to protect us.

Because HB 1299 skillfully remedies a gap in our state's most important consumer protection statute, I urge this Committee to submit a favorable report.

Sincerely,

Mark H. Steinbach