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Legislative District 32

Anne Arundel County

Economic Matters Committee

Subcommittees
Banking, Consumer Protection, and
Commercial Law
Unemployment Insurance



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

February 21st, 2024

Testimony in Favor of HB0710 Business Regulation – Household Goods Movers – Special Fund and Fees

Chair Wilson, Vice-Chair Crosby, and members of the Economic Matters Committee,

Thank you, Mr. Chairman. For the record I am Delegate Mike Rogers from District 32 in Anne Arundel County, I respectfully request a favorable report of HB0710.

In 2019 this committee and the General Assembly passed <u>House Bill 671</u> into law, which required the Department of Labor to issue regulations establishing a licensing and registration program for household goods movers in the state. That legislation was passed with the support of the legitimate household goods moving industry, many of whom testified in favor because they believed it would help combat instances of moving fraud in Maryland.

Over 30 states require registration of their moving companies. Because Maryland has not been one of them, consumers have had no state agency to go to verify a moving company's status, which can make it difficult to identify if a company is reputable or is a scam artist. It also makes Maryland a state that rogue movers target when opening their businesses because there is no barrier to entry. This leads to scam artists taking advantage of unsuspecting customers with lowball estimates, false promises, and misleading advertising. They then illegally increase the cost of a move dramatically after a consumer's goods are loaded, leaving a consumer with little recourse but to pay the inflated charges or the mover will not give them their possessions.

Fast forward five years later, we still do not have a registration program in Maryland. As you all know, the Department of Labor was overwhelmed during the pandemic with staffing shortages and a dramatic rise in unemployment claims. The Department is now planning to move forward with the regulations this year, but there are concerns over funding the program so it can operate in perpetuity. House Bill 710 seeks to address this challenge by making a technical correction specifying that the fees paid into the program by moving companies would be deposited into a new Household Goods Movers Registration Fund to cover the costs of administering the program.

It should also be noted that between October 1, 2019, when the program was to have been established, and February 1, 2023, the Attorney General's Office received 248 complaints against moving companies in Maryland. It is time to get this program running. It was always our intention that the fees generated

by the program would cover the costs so it would be self-sustaining. That's all we are attempting to do here. I respectfully request a favorable report on HB0710.

Sincerely,

Mike Rogers

Mike Rogers

Maryland Delegate, 32nd District