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MAYOR

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**HB0549**

March 21, 2024

**TO:** Members of the Senate Judicial Proceedings Committee  
**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations  
**RE:** HB 549 - Statute of Limitations - Prosecution or Enforcement of Local Consumer Protection Codes  
**POSITION: SUPPORT**

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 549.

HB 549 would allow jurisdictions with local consumer protection codes to have up to three years to complete all prosecutions and actions related to enforcing those local consumer protection laws.

Baltimore City's recently passed legislation, enacted via local ordinance 23-266, allows Baltimore City to investigate and bring actions against businesses that engage in unfair and deceptive trade practices that harm Baltimore residents. The law gives Baltimore City subpoena power so it can conduct comprehensive investigations of potential bad actors. These investigations ensure that we accurately target bad behavior, that we take the time to understand the magnitude of the illegal conduct fully, and that we bring actions based on a strong evidentiary foundation. Each of these cases involved long, complex investigations. It can take years to build and prosecute a consumer protection matter properly.

In recognition of the complexity of these cases and the time-consuming nature of consumer protection investigations and lawsuits, comparable jurisdictions in other states do not have a statute of limitations for consumer protection actions.

Unlike the Attorney General's Office, Baltimore's ordinance only authorizes it to bring its consumer protection actions in Maryland Courts, not administratively. In Maryland, however, Courts and Judicial Proceedings §5-107 states that a prosecution or suit for a fine, penalty, or forfeiture shall be instituted within one year after the offense was committed<sup>1</sup>.

A one-year statute of limitations may be sufficient in simple cases such as parking tickets or suits involving only a single violation. A one-year statute of limitations, with no discovery rule, would only incentivize corporations to conceal bad conduct and then argue after the conduct comes to light, that any action was time-barred. Large-scale consumer protection cases can involve thousands of violations over many years. It could take years for Baltimore City to investigate these cases and thoroughly understand the magnitude of the illegal conduct.

In addition, a lengthier statute of limitations will allow Baltimore City time to conduct a comprehensive investigation. This investigation could lead to a reasonable settlement between the parties. It would not benefit Baltimore City or businesses for the City to be forced quickly into filing lawsuits because of a short statute of limitations.

For these reasons, the BCA respectfully requests a **favorable** report on HB 549.

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<sup>1</sup> Md. Code Ann., Cts. & Jud. Proc. § 5-107