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HB 1299 – Maryland Consumer Protection Act – Trade or Commerce Violations
FAVORABLE
Senate Finance Committee
March 26, 2024

Good afternoon, Chairman Beidle and Members of the House Economic Matters Committee. I am Karen Morgan, a member of the Executive Council for AARP Maryland. As you may know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 850,000 members. We thank Attorney General Brown for requesting this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

We support this request by the Office of the Attorney General to improve the arsenal of weapons available to fight unfair, abusive, and deceptive trade practices. This problem does not just affect consumers as buyers of all kinds of goods and commodities, but also affects consumers as sellers of these items. Social media platforms have made it easy for consumers to be on both sides of these transactions. Unfortunately, criminals have also found it far too easy to use these platforms to deceive people into believing that they are selling an item to a buyer who doesn't really exist or to deceive people into believing that they will receive fair market value for an item when the buyer never intended to deal with the seller fairly.

The Consumer Protection Division of the Office of the Attorney General is the primary enforcer for and protector of consumers in Maryland. But the division needs sufficient resources and authority to carry out its responsibilities. HB 1299 would expand the authority of the Attorney General to protect consumers regardless of whether they are in the role of seller or buyer. The proliferation of deceptive practices these days puts consumers at a distinct disadvantage when they are trying to transact business, especially when they try to conduct that business through online channels.

An example of where additional authority is needed pertains to companies that offer to pay cash to buy houses, an example cited by the Attorney General. People who sell houses to these companies are often people who are ages 50 and older. They may be looking to downsize or move nearer to family after retirement. Their homes may be paid off and have no mortgage, but some of these companies entice consumers with offers to quickly buy the home for a fair market price. Consumers complete the contract believing that they are going to get that price, but a number of these companies will end up paying only a fraction of the fair market value for homes. In other

cases, these companies neglect to record the deeds on the properties bought, so the consumer is still liable for property taxes on a home they thought they had sold. Amending the Maryland Consumer Protection Act as proposed in HB 1299 would enable the Attorney General to bring enforcement actions, including injunctions and fines, to hold these unscrupulous companies accountable for their actions.

Another example where broader enforcement is needed is regarding small businesses that are victimized by fraud. Although small businesses can be attacked as severely or even more severely than individual consumers when it comes to fraud, if that fraud occurs against a small business (not a consumer) the Division of Consumer protection is hamstrung in its ability to seek enforcement and remedial action.

HB 1299 would amend the Maryland Consumer Protection Act to more clearly establish the authority of the Attorney General to protect the integrity of all business activity without the artificial distinction of whether the victim was a consumer, or whether that consumer was a buyer or seller in the transaction.

AARP supports HB 1299 and respectfully requests the Senate Finance Committee to issue a favorable report. For questions, please contact Tammy Bresnahan, Director of Advocacy for AARP Maryland at tbresnahan@aarp.org or by calling 410-302-8451.