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Assistant Majority Leader

Economic Matters Committee



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Chairman C.T. Wilson Economic Matters Committee House Office Building, Room 230 Annapolis, Maryland 21401

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

HB1106 is introduced in memory of the tragic loss of life that occurred in Summer 2024. Several Maryland residents tragically lost their lives while making the religious pilgrimage, Hajj, to Mecca. The travel organizers played a direct role in these tragedies by failing to provide promised documentation and necessary support to travelers who had paid for their services. This devastating event exposed a critical gap in the oversight of travel service providers, leaving consumers vulnerable to fraud, financial exploitation, and life-threatening consequences.

This legislation seeks to create a regulatory system to increase consumer protection while using travel agencies for their needs. It establishes safeguards to ensure financial accountability among travel service providers, mitigating risks for consumers and reducing potential losses from fraud or business failures within the industry. These events have invoked an urgency to create a travel regulatory system to institute checks and balances in travel agencies to prevent such incidents from happening again by:

- Requiring all travel service providers operating in Maryland to annually file with the Department of Labor, with a
 filing fee of \$300. Sellers will not be allowed to accept payment for services unless they have completed this annual
 filing.
- Requiring all travel service providers to provide a surety bond or equivalent financial security based on their gross annual income, ensuring they have the resources to fulfill their obligations to consumers. For example, for an annual gross income of less than \$200,000, the principal amount of the surety bond will be 20,000. Requiring this security will further protect consumers from fraud and misinformation by such services.
- Implementing penalties for violations. Individuals violating these provisions will be guilty of a misdemeanor and pay a fine up to \$10,000 and for a second offense up to \$50,000. Businesses breaching the provision will also be guilty of a misdemeanor and pay a fine up to \$50,000 and for a second offense up to \$100,000.

For many Marylanders, travel is not just a luxury—it is often a deeply personal or religious journey and ensuring the safety and security of these travelers is vital. By requiring accountability from travel service providers, this legislation provides much-needed consumer protection, reduces risks for travelers, and ensures that tragedies like those witnessed in 2024 are prevented in the future.

For these reasons, I strongly urge the committee to issue a favorable report on HB593.

Sincerely,

Delegate Adrian Boafo