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OFFICE OF THE ATTORNEY GENERAL  
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March 26, 2026

**TO:** The Honorable Pamela Beidle, Chair  
Finance Committee

**FROM:** Steven M. Sakamoto-Wengel  
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**RE:** House Bill 103 – Consumer Contracts – Prohibited Waivers  
SUPPORT

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The Consumer Protection Division of the Office of the Attorney General supports House Bill 103, sponsored by Delegate Stewart, which precludes a consumer contract from including a provision that would set a shorter time to bring an action under or on the consumer contract than required by State law at the time of the contract. House Bill 103 would further bar a consumer contract from including a provision that waives statutory or punitive damages authorized by federal or state law. House Bill 103 builds upon Chapter 194 (House Bill 431) from the 2025 session, which prohibited a consumer contract from reducing the statute of limitations to bring an action under the contract below that provided by Maryland law.

However, that bill included a huge loophole that exempted regulated businesses from the coverage of the bill, regardless of whether the regulator has adopted any rules regarding statutes of limitations. The exemptions exclude the vast majority of consumer contracts from the prohibition on shortening the statute of limitations, including the home improvement contractor that was the subject of the Maryland Supreme Court's decision in *Ceccone v. Carroll Home Services, LLC*, 454 Md. 680 (2017), which gave rise to this legislation. House Bill 103 would close that loophole.

Consumer contracts are, for all intents and purposes, non-negotiable. The terms are set by the business and, even if a consumer understands the terms of the contract well enough to alter its terms, rarely can be changed by the consumer. And apart from major contracts

such as a home purchase, hiring an attorney to review a consumer contract is prohibitively expensive.

Allowing a business to reduce the three-year statute of limitations in a consumer contract or require the consumer to waive other rights or remedies harms Maryland consumers by limiting the consumer's ability to enforce the terms of the contract. For example, the Court of Appeals of Maryland, now the Supreme Court, has determined that shortening the statute of limitations in a consumer contract may be unreasonable. In the *Ceccone* case, the Court discussed the purpose behind limitations:

Statutes of limitations are designed to balance the competing interests of plaintiffs, defendants, and the public. A statutory period of limitations represents a policy judgment by the Legislature that serves the interest of a plaintiff in having adequate time to investigate a cause of action and file suit, the interest of a defendant in having certainty that there will not be a need to respond to a potential claim that has been unreasonably delayed, and the general interest of society in judicial economy, [Cites omitted] In enacting the three-year statute of limitations that governs most tort and contract actions, the General Assembly made a policy decision as to an appropriate deadline for filing of such a claim by a reasonably diligent plaintiff.

*Ceccone*, 454 Md. At 691. The Court noted that, absent a controlling statute to the contrary, a provision shortening the statute of limitations may be allowed, as long as it is reasonable. However, the Court also noted that many of the cases upholding shortened limitations periods “involve sophisticated contracts between parties with roughly similar bargaining power.” Such is not the case with consumer contracts.

Similar considerations apply to the waiver of statutory damages or penalties provided by State or Federal law, the waiver of which HB 103 would declare to be “against State public policy, illegal, and void[.]” Notably, HB 103 provides that it would not invalidate an arbitration provision that is enforceable under the Federal Arbitration Act, nor would it prohibit provisions that create rights or remedies not provided by federal or state law.

The Consumer Protection Division requests that the Senate Finance Committee prohibit allowing the waiver of legal rights and remedies in what are essentially non-negotiable consumer contracts by giving HB 103 a favorable report.

cc: The Honorable Vaughn Stewart  
Members, Finance Committee