

HB103_Senate_NACA_HINES_FAV.pdf

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Position: FAV



March 24, 2026

Senator Pamela Beidle
Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Testimony to the Finance Committee
HB-103, Consumer Protection - Consumer Contracts - Prohibited Waiver
Position: Favorable

Honorable Chair Beidle and Members of the Committee:

Thank you for the opportunity to share our views on an important consumer protection matter. The National Association of Consumer Advocates, a nonprofit organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of all consumers, particularly those of modest means, strongly supports and urges favorable passage of HB 103.

The bill would ensure that one-sided consumer contracts cannot wipe away consumer remedies, specifically statutory and punitive damages granted under Maryland and federal law. HB 103 would also improve the law passed in 2025, which stops corporate-written terms and conditions from shortening the legal time-period for harmed consumers to file legal claims.¹ Under HB 103, industries will conduct business on a level playing field without unnecessary exemptions.

As Marylanders sign up for essential products and services such as loans or credit cards, or open bank accounts, buy concert tickets, or use online applications, they are presented with take-it-or-leave-it terms of service with difficult-to-understand language that restricts their legal rights and insulates companies from taking responsibility when they break the law.² Some companies take advantage of consumers' trust, lack of expertise, and unfamiliarity with the law to sneak unfair clauses in contracts that remove people's legal rights and remedies.³

By passing HB-103, lawmakers will ensure that non-negotiable fine-print clauses do not remove remedies available to harmed consumers under the law, such as the damages provided in the Maryland Consumer Protection Act. Statutory and punitive damages are crucial for compensating victims, as well as punishing and deterring wrongdoers. If the law does not allow financial penalties against bad corporate actors for cheating or ripping off consumers, there is little to prevent these companies from continuing their misconduct and harming others.

We urge you to shield Marylanders from unfair clauses in one-sided contracts that wipe away their rights and remedies. Pass HB-103 to protect their access to justice.

¹ Md. House Bill 431 (2025).

² See, Andrea Boyack, *Abuse of Contract: Boilerplate Erasure of Consumer Counterparty Rights*, 110 Iowa Law Review 497 (2025), <https://scholarship.law.missouri.edu/cgi/viewcontent.cgi?article=2199&context=facpubs>.

³ Yehuda Adar and Shmuel I. Becher, *Ending The License To Exploit: Administrative Oversight Of Consumer Contracts*, 62 B.C. L. REV. 2405, 2415-24 (2021), <https://bclawreview.bc.edu/articles/118/files/63dd1b6eb6411.pdf>.

For the reasons above, we support favorable passage of this legislation.

Respectfully submitted,

Christine Hines
Senior Policy Director

HB103_DeStewartTestimony

Uploaded by: Delegate Stewart

Position: FAV



CHIEF DEPUTY MAJORITY WHIP

Government, Labor, and Elections
Committee

Vice Chair
Democratic Caucus

THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 103 Consumer Protection - Consumer Contracts - Prohibited Waiver

Testimony by Delegate Vaughn Stewart
March 25, 2026 | Finance Committee

What the Bill Does

HB 103 protects Maryland consumers by prohibiting contract provisions that waive, limit, impair, or disclaim rights or enforcement mechanisms already guaranteed under State or Federal law. It clarifies that when such provisions appear in consumer contracts, they constitute an unfair, abusive, or deceptive trade practice and are therefore subject to enforcement and civil penalties. This bill ensures that statutory rights cannot be quietly stripped away in the fine print of a contract.

Why the Bill is Important

HB 103 is a vital step toward restoring fairness in the marketplace between individual consumers and powerful corporations. When Marylanders choose products or services, they do so based on transparent information—price, quality, safety—not on an implicit agreement to surrender their legal rights. Yet many standard form contracts buried in dense “take it or leave it” language strip away fundamental protections that the General Assembly and Congress have expressly provided.

Consumers rarely, if ever, have the time or legal expertise to parse lengthy contracts filled with complex legalese. As a result, corporations often exploit this reality to insert restrictive clauses that leave consumers unaware of their rights and unable to hold companies accountable. This dynamic undermines both individual justice and public confidence in the system.

HB 103 is consistent with and builds on consumer protections passed in the 2025 legislative session. Last year, the General Assembly passed House Bill 431, which prohibits consumer contracts from imposing a shorter statute of limitations for bringing a legal action than what Maryland law otherwise allows. Under HB 431, any provision that cuts the time to file a claim below the statutory period established by law is void and considered a violation of the Consumer Protection Act. That law, which becomes effective June 1, 2026, ensures that consumers are given a fair and consistent timeframe to pursue claims, regardless of what corporate fine print attempts to dictate.

These protections recognized that when corporations shorten the time for filing a claim below what the General Assembly has determined, it not only harms individual consumers but imperils the rule of law itself by undermining statutory protections consumers rely on. HB 103 advances that same principle more broadly by targeting all contractual provisions that would erode substantive rights already granted under law.

Consumers Should Not Have to Choose Between Rights and Participation in the Marketplace

Corporations often defend these clauses as necessary risk management. But risk should not be borne by the most vulnerable party simply because they lack negotiating power. Worse, when one company adopts harsh contract terms, competitors follow suit, effectively forcing consumers to choose between rights and access to essential goods and services. This “race to the bottom” leaves Marylanders with no meaningful choice—and that is not how a fair marketplace should function.

Even well-intentioned consumers with the resources to read contracts do not have the legal expertise to identify when their rights are being diminished, especially when the clauses are couched in legalese. HB 103 ensures that substantive protections written into statute remain enforceable in practice—accessible, transparent, and honored.

Accountability Through Enforcement Matters

HB 103 not only prohibits unfair contractual terms, it attaches real consequences: enforcement and civil penalties under Maryland’s Consumer Protection Act. This empowers the Attorney General and consumers alike to hold bad actors accountable, and sends a clear message that Maryland will not tolerate evasive contract tactics that strip away basic rights.

Why the Committee Should Vote Favorably

Every day, hardworking Marylanders click “agree,” check a box, or sign their name in good faith—believing they are protected by the laws this body has enacted. They should not later discover that these protections were quietly nullified by a clause no one reads or understands.

The General Assembly has spent decades enacting substantive consumer rights. It should be unacceptable for corporations to undermine those statutes through buried contractual language. HB 103 affirms a simple yet powerful principle: statutory rights are real rights and should remain real in practice.

HB 103 strengthens consumer confidence, supports honest businesses, and reinforces the integrity of Maryland law. For these reasons, I respectfully urge a favorable report.

For Senate FIN HB 103 EconAction FAV.docx.pdf

Uploaded by: Marceline White

Position: FAV



Testimony Before Senate Finance
HB103 Consumer Protection-Consumer Contracts -Prohibited Waiver
Position: Favorable

March 26, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund is here in strong support of HB103. HB103 builds on legislation this committee passed last year to respond to the issue of consumer contracts setting a shorter time period to bring action than required under state law. addresses

Contracts for goods and services undergird almost every financial transaction. Yet, consumer contracts are often written in opaque, confusing terms. Rather than clarify the rights and responsibilities of both the consumer and the firm, the contract may confuse consumers and dampen efforts to exercise their rights.

Consumers often complain about the confusing terms within contracts. And without perfect information, the market is not competitive. Consumers are unable to understand the terms of the contract and, therefore, are unable to compare and consider the terms of the product when deciding on a purchase, loan, or credit product.

HB103 brings clarity and consistency to Maryland's marketplace by requiring all contracts to abide by state and federal law. HB103 simply states that contracts cannot wave, disclaim, or impair a right established by federal or state law. Any contract that does so is void and a violation of the Maryland Consumer Protection Act.

At a time when consumer contracts are growing increasingly complex the ability of the federal Consumer Financial Protection Bureau (CFPB) to investigate and enforce consumer protections grows increasingly frail as the Bureau is being dismantled under the Trump Administration.

At this juncture, Maryland needs to expand our work to protect consumers. HB103 ensures that consumer contracts will not reduce rights already conferred under Maryland law. This is a commonsense but critical bill for everyday Marylanders. For all these reasons, we support HB103 and urge a favorable report.

Best,

Marceline White
Executive Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB 103

March 26, 2026

TO: Members of the Senate Finance Committee

FROM: Nina Themelis, Director, Mayor's Office of Government Relations

RE: House Bill 103 – Consumer Protection – Consumer Contracts – Prohibited Waiver

POSITION: FAVORABLE

Chair Beidle, Vice Chair Hayes, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 103 – Consumer Protection – Consumer Contracts – Prohibited Waiver.

Consumers in Maryland have been granted certain basic statutory rights by Congress and the General Assembly to protect against wrongful trade practices. These include statutes of limitation that preserve a consumer's ability to fully and fairly investigate the circumstances of any wrongdoing, and the extent of the harm done, before filing a lawsuit. They also include an entitlement to certain material information in specific contracts, or additional remedies such as treble damages, attorneys' fees, or statutory penalties in the event of a breach.

These rights are preserved under a body of local, state, and federal laws including Baltimore's consumer protection ordinance, the Maryland Consumer Protection Act, the Federal Truth in Lending Act, the Fair Credit Reporting Act, and the Maryland Consumer Loan Law. These laws are based on a recognition that many consumer contracts, including for personal or auto loans, leases, or home improvement, are offered to vulnerable consumers on a take or leave it basis, giving consumers little opportunity to effectively bargain. To address this inequity, these laws, and the applicable statute of limitations, level the playing field by ensuring basic rights that consumers can later vindicate in a court of law.

HB 103 ensures that businesses cannot force consumers to bargain away these basic rights in coercive, take it or leave it contracts. It safeguards the ability of consumers to access a complete array of statutory protections in vindicating their rights. It also importantly broadens this protection by striking prior exemptions that exposed thousands of consumers of regulated industries to abusive contract terms that limited their rights.

Businesses have a fundamental responsibility to operate in compliance with City, state, and federal laws that protect consumers. HB 103 simply recognizes that obligations under these laws, and the consumer rights granted, cannot be contracted away. As such, the BCA respectfully requests a **favorable** report on HB 103.

HB 103 - Waivers - CPD - Support (Finance).pdf

Uploaded by: Steve Sakamoto-Wengel

Position: FAV



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**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION**

ANTHONY G. BROWN
Attorney General

March 26, 2026

TO: The Honorable Pamela Beidle, Chair
Finance Committee

FROM: Steven M. Sakamoto-Wengel
Executive Counsel to the Attorney General

RE: House Bill 103 – Consumer Contracts – Prohibited Waivers
SUPPORT

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

MDCC_HB_103_FWA.pdf

Uploaded by: Grason Wiggins

Position: UNF



House Bill 103

Date: March 26, 2026

Committee: Finance

Position: Favorable With Amendments

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

As amended, House Bill 103 (HB 103) prohibits a consumer contract from limiting or waiving statutory damages authorized by federal or state law. The Maryland Chamber appreciates the intent of HB 103, and we respectfully request an amendment to resolve a scenario where a consumer contract limits damages based on available insurance coverage.

Specifically, the Maryland Chamber requests inclusion of the following language on page 2, line 20 that was drafted by the bill's sponsor:

(3) THIS SUBSECTION MAY NOT BE CONSTRUED TO PROHIBIT OR RENDER VOID A PROVISION IN A CONSUMER CONTRACT THAT LIMITS DAMAGES OR LIABILITY TO THE EXTENT OF AVAILABLE INSURANCE COVERAGE, EXCEPT TO THE EXTENT THE PROVISION PURPORTS TO WAIVE OR DISCLAIM:

**(I) LIABILITY FOR AN INTENTIONAL, RECKLESS, OR KNOWING VIOLATION OF LAW;
OR**

**(II) A REMEDY FOR DECLARATORY OR INJUNCTIVE RELIEF OTHERWISE AVAILABLE
UNDER FEDERAL OR STATE LAW.**