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HB 1105

April 3, 2026

TO: Members of the Senate Judicial Proceedings Committee
FROM: Nina Themelis, Director, Mayor's Office of Government Relations
RE: House Bill 1105 - Statute of Limitations - Civil Suits to Enforce 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) 1105.

Baltimore City's local consumer protection ordinance allows the City to investigate and bring actions against businesses that engage in unfair, deceptive, or abusive trade practices that harm Baltimore residents.

Like similar laws in other local jurisdictions, Baltimore's consumer protection ordinance gives the City subpoena power to conduct comprehensive investigations of potential bad actors. These investigations ensure that the City can accurately target bad behavior, take the time to fully understand the magnitude of any illegal conduct, and bring actions based on a strong evidentiary foundation.

In recognition of the complexity and time-consuming nature of consumer protection investigations and lawsuits, many comparable jurisdictions are not subject to any statute of limitations for consumer protection actions. The Maryland Attorney General's office has no applicable statute of limitations for administrative actions enforcing the state Consumer Protection Act. In addition, neither Washington DC nor Chicago is subject to a statute of limitations for their local consumer enforcement actions. Pennsylvania and New York both have six years to bring consumer protection claims.

Unlike these jurisdictions, under current Maryland law Baltimore City has **only one year** from the date of a violation to bring a consumer protection enforcement action. In recent months, this short limitations period has limited our ability to protect elderly residents who have been victims of crypto scams. It has also hamstrung our ability to force fintech payday lenders from complying with applicable interest rate limits and other consumer protections, narrowed our challenge to practices that target and exploit vulnerable gamblers, and ensure that predatory debt buyers are not abusing Baltimore consumers in collections.

HB 1105 changes the limitations period for local consumer protection actions to three years from the date the government knew or should have known that a violation occurred. This change aligns a local government's statute of limitations to the period already applied to comparable private lawsuits in Maryland, including private actions under the Maryland Consumer Protection Act. Because the bill enacts a limitations period consistent with private rights of action, and shorter than enforcement actions brought by the state, it will impose no new obligations, record keeping or otherwise, on Maryland businesses.

It must be emphasized that the "knew or should have known" language, also known as the "discovery rule," is already the standard for private cases in Maryland, including negligence or consumer protection actions. The discovery rule applies to numerous government enforcement actions, including actions brought by the Maryland Department of the Environment. As such, it does not threaten to extend a statute of limitations period indefinitely, as Maryland courts have repeatedly held that a plaintiff relying on the discovery rule must demonstrate that they had exercised reasonable diligence in identifying the legal violations its challenging. In this context, the discovery rule recognizes that the impact of an unfair, deceptive, or abusive trade practice is not always immediately apparent, or that it may take time to fully understand the scope of the wrongdoing. This is particularly important for local governments, which are often not immediately notified when there is a consumer protection violation in its jurisdiction.

For these reasons, the BCA respectfully requests a **favorable** report on HB 1105.