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HB 1105

March 5, 2026

TO: Members of the House Judiciary Committee

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

RE: House Bill 1105 - Statute of Limitations - Prosecution or Enforcement of Local Consumer Protection Codes

POSITION: Support

Chair Bartlett, Vice Chair Davis, 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 jurisdiction, 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 prevented the City from assisting tenants who have endured uninhabitable dwellings and abusive conduct from landlords. It has limited our ability to protect elderly residents who have been the victim of crypto scams. It has also barred the City from pursuing consumer protection claims against investors who fraudulently purchased hundreds of City properties and allowed them to fall into foreclosure, leaving behind blighted neighborhoods and millions in unpaid debts.

HB 1105 changes the limitations period for local consumer protection actions to three years from the date the locality knew or should have known that a violation occurred. This change conforms 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.

The "knew or should have known" language, also known as the "discovery rule," is not unique. 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. The discovery rule recognizes that a consumer may not immediately appreciate that they have been the victim of an unfair or deceptive trade practice, 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.