

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 103 (Delegate Stewart)  
Economic Matters

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Consumer Protection - Consumer Contracts - Prohibited Waiver

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This bill prohibits a consumer contract from waiving, limiting, impairing, or disclaiming any right conferred or created or a manner of enforcement established by federal or State law. The bill generally prohibits a waiver by agreement of its requirements, except under limited circumstances. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil penalty provisions. In addition to an action for damages under MCPA, a person may bring an action for declaratory relief or an injunction to prohibit a person who violates the bill from engaging (or continuing to engage) in the violation. The bill incorporates these provisions within Chapter 194 of 2025, which establishes that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. Although the bill generally maintains the provisions of Chapter 194, it repeals certain exemptions. The bill also contains a severability clause and only applies prospectively. **The bill takes effect on the later of October 1, 2026, or the taking effect of Chapter 194 (June 1, 2026), if the effective date of Chapter 194 is amended.**

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Fiscal Summary

**State Effect:** The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill’s requirements with existing resources.

**Local Effect:** The bill’s imposition of existing penalty provisions does not have a material impact on local government finances or operations.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary/Current Law:** As noted above, Chapter 194 establishes that a provision in a consumer contract that sets a shorter period of time to bring an action under or on the contract than required by State law when the contract is issued or delivered is against State policy, illegal, and void. However, this provision does not apply to: (1) any consumer contract provided by a business, including an affiliate or subsidiary of the business, that is doing business under a license, franchise agreement, certificate, or other authorization issued by a State agency, political subdivision, or public utility commission; (2) a service regulated by the Maryland Public Service Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or (3) a person or business licensed to provide security system services under Title 18 of the Business Occupations and Professions Article. The bill repeals these exemptions.

As with Chapter 194, the bill prohibits a court from giving effect to a provision in a consumer contract that is illegal. Additionally, the bill specifies that a court must enforce the remainder of the consumer contract to the extent practicable.

The bill (and the requirements of Chapter 194) must be construed to apply equally and without favorable treatment to a consumer contract with or without an arbitration provision. Likewise, the bill and Chapter 194 may not be construed to (1) invalidate an arbitration provision that is enforceable under the Federal Arbitration Act or (2) prohibit a provision in a consumer contract that grants a consumer a right or a manner of enforcement more expansive or extensive than a right conferred or created or a means or manner of enforcement established by federal or State law. A consumer *may* waive a right conferred or created or a manner of enforcement established by federal or State law as part of a settlement of a dispute or an action, unless otherwise prohibited by federal law.

### *Maryland Consumer Protection Act*

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind, which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease-and-desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2026  
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