

Department of Legislative Services  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1258

(Delegate Smith, *et al.*)

Judiciary

Judicial Proceedings

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**Child Placement Services - Advertising by Unlicensed Person - Prohibition**

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This bill prohibits a person from advertising adoption services in the State unless the person is a local department of social services or a child placement agency licensed by the Social Services Administration (SSA). The prohibition includes advertisements that originate in and outside the State and target State residents directly and indirectly through general distribution. SSA may (1) investigate alleged violations; (2) issue a cease and desist order to a person that SSA believes to be in violation; and (3) notify the Attorney General if there is reason to believe that a person has committed a violation. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions.

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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 budgeted resources. It is likewise assumed that the Department of Human Services (DHS) can implement the bill using existing resources, as discussed below.

**Local Effect:** The bill is not anticipated to materially affect local government finances or operations.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** DHS, through SSA, has the primary responsibility for child welfare services throughout the State, which are provided primarily by the local departments of

social services. These services support the healthy development of families, assist families and children in need, and protect abused and neglected children. Programs include foster care, family preservation, adoption, child protective services, and family reunification.

Except as otherwise provided, a person must be licensed by SSA as a child placement agency before the person may engage in the placement of minor children in homes or with individuals. A license is not required (1) for a person to place a child with an individual related to the child by blood or marriage within four degrees of consanguinity or affinity under civil law rule; (2) except as otherwise provided, for a parent or grandparent of a child to place the child directly, without the intervention of any other person except the recipient of the child; or (3) for a lawyer to prepare pleadings necessary to accomplish the adoption of a child or to perform any other function associated with the normal practice of law.

Regulations require that to provide private adoption services, an agency must be licensed as a child placement agency by SSA and have a written service plan, as specified. An agency or individual must satisfy these requirements in order to (1) advertise adoption services through the media; (2) conduct public meetings for the purpose of soliciting potential clients; or (3) recruit in any other way potential adoptive parents or locate children for adoption in Maryland.

#### *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.

**State Expenditures:** This analysis assumes that DHS can use existing budgeted resources to investigate alleged violations of the bill that are made known to the department. If, however, SSA elects to take a more proactive approach in investigating potential violations, such efforts are likely not absorbable and additional expenditures are incurred.

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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):** Judiciary (Administrative Office of the Courts); Department of Human Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2026  
jg/jkb Third Reader - April 2, 2026  
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