PS Item #1
September 30, 2026
Worksession

M E M O R A N D U M

September 25, 2026

TO: Public Safety (PS) Committee

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Expedited Bill 16-26, Consumer Protection – Amendments (Financial Exploitation Protection Act)

PURPOSE: Worksession – recommendation expected

Expected Attendee:
Timothy M. Mulligan, Office of Consumer Protection

Expedited Bill 16-26, Consumer Protection – Amendments (Financial Exploitation Protection Act), was introduced on March 17, 2026. The Lead Sponsor is Councilmember Stewart. Co-Sponsors are Council President Fani-González, Councilmembers Friedson, Luedtke, and Evans, Council Vice-President Balcombe, and Councilmembers Sayles, Glass, Katz, Mink, and Jawando. A public hearing occurred on June 16, 2026. A worksession of the Public Safety Committee is scheduled for September 30, 2026.

Expedited Bill 16-26 would:

(1) permit the Office of Consumer Protection to operate a voluntary mediation program;
(2) define the term *vulnerable adult* under the consumer protection law;
(3) prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from a vulnerable adult;
(4) prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from an individual who is at least 68 years old; and
(5) generally amend the law regarding consumer protection.

BACKGROUND

As explained by the Lead Sponsor in the enclosed *Fact Sheet* © 4, the Financial Exploitation Protection Act is intended to "align our local consumer protection laws with Maryland Criminal Law §8-801 and Maryland Comm. Law § 13-204(a)(15), ensuring consistency with state law."

The Maryland Criminal Law Article and the Maryland Consumer Protection Act define "vulnerable adult" as "an adult who lacks the physical or mental capacity to provide for the adult's daily needs." *See* Md. Code Ann., Criminal Law Article § 3-604.

Under the Criminal Law Article, § 8-801, "A person may not knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is a vulnerable adult with intent to deprive the vulnerable adult of the vulnerable adult's property." In addition, "A person may not knowingly and willfully obtain by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is at least 68 years old, with intent to deprive the individual of the individual's property." *Id.*

The Consumer Protection Division of the Attorney General's office is authorized to "[b]ring a civil action for damages…against a person who violates § 8-801of the Criminal Law Article on behalf of a victim of the offense or, if the victim is deceased, the victim's estate."

BILL SPECIFICS

Protections for vulnerable adults and individuals at least 68 years old. The bill would define "vulnerable adult" as "an adult who lacks the physical or mental capacity to provide for the adult's daily needs."

The bill would prohibit, as deceptive trade practices under the County's consumer protection laws (Chapter 11 of the County Code):

- knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is a vulnerable adult with intent to deprive the vulnerable adult of the vulnerable adult's property; or

- knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is at least 68 years old, with intent to deprive the individual of the individual's property.

Under existing law, a deceptive trade practice is subject to enforcement under Section 11-11 of the County Code, which provides that a person who violates Chapter 11 has committed a Class A violation. In addition, "The Director may bring a civil action to enforce this Chapter [11] and may seek damages, restitution, the posting of a bond, or any other available legal or equitable relief, including declaratory, preliminary, temporary, or permanent relief."

Mediation. In addition to expanding protections for individuals who are at least 68, and for "vulnerable adults," the bill would explicitly permit the Office of Consumer Protection to operate a voluntary mediation program.

SUMMARY OF IMPACT STATEMENTS

Fiscal Impact. According to the Office of Management and Budget, Expedited Bill 16-26 "is expected to have minimal fiscal impact on County revenues and expenditures."

Economic Impact. The Office of Legislative Oversight (OLO) "anticipates that Expedited Bill 16-26 would have an indeterminate impact on overall economic conditions in the County, as measured by the Council's priority economic indicators." OLO continued, "Analysis of federal and state data indicates fraud against seniors is a serious problem. However, OLO is unable to determine whether the proposed policy change would meaningfully reduce such fraud in the County. The uncertainty stems from two main limitations: First, OLO was unable to identify rigorous impact evaluations assessing the effectiveness of state and local consumer protection efforts. Second, it is unclear whether [the Office of Consumer Protection] could substantially increase enforcement under the Bill without additional resources."

Racial Equity and Social Justice Impact. OLO "anticipates Expedited Bill 16-26 would have a small, positive impact on racial equity and social justice (RESJ) in the County. Black community members could disproportionately benefit from adding protections for vulnerable adults to the County's consumer protection laws. These protections could also advance disability justice in the County across race by addressing consumer protection disparities among community members with disabilities."

Climate Assessment. OLO "anticipates Expedited Bill 16-26 will have no impact on the County's contribution to addressing climate change".

SUMMARY OF PUBLIC HEARING

The County Council held a public hearing on Bill 16-26 on June 16. The Commission on Aging and AARP Maryland submitted written testimony in favor of the bill. The Director of the Office of Consumer Protection, Mr. Friedman, spoke in support of the bill to assist and protect older and vulnerable adults. Ms. Emerson-Kugel of SEEC also spoke in support of the bill, as a means to assist individuals with intellectual and developmental disabilities.

ISSUES FOR THE COMMITTEE'S CONSIDERATION

1. Racial Equity and Social Justice

While OLO found that the RESJ impacts of the bill are positive and did not recommend any amendments to the bill, OLO made the following general recommendations, which the Committee might wish to discuss with OCP.

- **Require OCP to conduct targeted outreach and education to BIPOC communities.** BIPOC communities are especially impacted by consumer protection issues. To ensure BIPOC community members are informed of their rights under Bill 16-26 and other consumer protection laws, the Council could require OCP to conduct targeted outreach and education to

BIPOC communities. This could also help OCP to learn about and address consumer protection issues that are specifically impacting BIPOC communities.

- **Require more detailed RESJ data collection and reporting for OCP complaints and outreach.** The Council could require OCP to collect and report data on the race and ethnicity of community members who submit complaints. They could also require OCP to report more detailed information on outreach strategies to specifically reach BIPOC communities with education and resources. More detailed reporting of RESJ complaint data and outreach strategies would give a baseline understanding of potential racial and ethnic disparities in OCP's efforts, which could be used to identify opportunities for advancing RESJ.

The Committee might wish to ask OCP to discuss outreach efforts and data collection protocols.

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Public Testimony: Expedited Bill 16-26, Consumer Protection - Amendments (Financial Exploitation Protection Act) - County Council - Montgomery County, MD

Expedited Bill No. 16-26
Concerning: Consumer Protection – Amendments (Financial Exploitation Protection Act)
Revised: 3/17/2026 Draft No. 2
Introduced: March 17, 2026
Expires: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. ____, Laws of Mont. Co. ____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Stewart
Co-Sponsors: Council President Fani-González, Councilmembers Friedson, Luedtke, and Evans, Council Vice-President Balcombe, and Councilmembers Sayles, Glass, Katz, Mink, and Jawando

AN EXPEDITED ACT to:

(1) permit the Office of Consumer Protection to operate a voluntary mediation program;
(2) define the term *vulnerable adult* under the consumer protection law;
(3) prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from a vulnerable adult;
(4) prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from an individual who is at least 68 years old; and
(5) generally amend the law regarding consumer protection.

By amending
Chapter 11, Consumer Protection
Sections 11-1, 11-2, and 11-4

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 11-1, 11-2, and 11-4 are amended as follows:

11-1. Definitions.

In this Chapter, the following words and phrases have the following meanings:

* * *

Vulnerable adult means an adult who lacks the physical or mental capacity to provide for the adult's daily needs.

11-2. Office of Consumer Protection.

* * *

(b) *Authority.* The Office may:

* * *

(12) operate a voluntary arbitration program and a voluntary mediation program;

* * *

11-4. Deceptive trade practices.

A merchant must not engage in a deceptive, unfair, or unconscionable trade practice, whether or not any specific consumer has, in fact, been misled, deceived, or damaged thereby. Deceptive, unfair, or unconscionable trade practices include:

* * *

(y) taking payment for goods or services without delivering the goods or performing the services; **[**or**]**

(z) practicing, or in any way engaging in, any trade, occupation, or profession without a license, registration, certificate, or other evidence of training or experience required by law;

(aa) knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or

reasonably should know is a vulnerable adult with intent to deprive the vulnerable adult of the vulnerable adult's property; or

(bb) knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is at least 68 years old, with intent to deprive the individual of the individual's property.

Sec. 2. Effective Date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Sec. 3. Short Title. This bill may be cited as the *Financial Exploitation Protection Act*.

Office of Councilmember Kate Stewart
Financial Exploitation Protection Act - Fact Sheet

Why do we need this bill?

- The Financial Exploitation Protection Act will align our local consumer protection laws with Maryland Criminal Law §8-801 and Maryland Comm. Law § 13-204(a)(15), ensuring consistency with state law.
- This bill will provide the Montgomery County Office of Consumer Protection with the authority and tools necessary to effectively deter and address deceptive trade practices, including those targeting our residents who are most vulnerable.
- It will expand for adults considered vulnerable and adults over the age of 68 what is considered a deceptive trade practice. Existing deceptive trade practices includes:
    - a representation that consumer goods or services have sponsorship, approval, accessories, characteristics, ingredients, uses, benefits, or quantities that they do not have;
    - a representation that the merchant has a sponsorship, approval, corporation indication, status, affiliation, or connection that the merchant does not have;
    - advertising or offering consumer goods or services without the intent or authority to sell them as advertised or offered;
    - falsely stating that consumer goods or services, replacements, or repairs are needed;
    - harassment of or threat to any person with regard to any act other than legal process; and
    - taking payment for goods or services without delivering the goods or performing the services.

What would this bill do?

- Define the term "vulnerable adult" under the County's consumer protection law.
- Prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from a vulnerable adult as defined in the law.
- Prohibit, as a deceptive trade practice, the use of deception, intimidation, or undue influence to obtain money, property, or services from an individual who is at least 68 years old.
- Permit the Office of Consumer Protection to operate a voluntary mediation program in addition to their investigative authority.

Additional information:

- How is a "vulnerable adult" defined?
    - "Vulnerable adult" means an adult who lacks the physical or mental capacity to provide for the adult's daily needs.
    - The term "vulnerable adult" and the above definition are used in a variety of ways throughout Maryland law and Maryland statutes.
- Why is the age of 68 used as a baseline for older adults?
    - The age of 68 is used in other parts of Maryland law dealing with financial exploitation, so it maintains consistency.
- Would this bill cover online financial exploitation as well?
    - Yes, if the incident includes the use of deception, intimidation, or undue influence to obtain money, property, or services from a vulnerable adult or an individual who is at least 68 years old.

Fiscal Impact Statement

Office of Management and Budget

Bill 16-26	**Consumer Protection - Amendments (Financial Exploitation Protection Act)**
Bill Summary	Expedited Bill 16-26 prohibits, as a deceptive trade practice under Montgomery County's consumer protection laws, knowingly using deception, intimidation, or undue influence to obtain the property of individuals at least 68 years old or vulnerable adults. It defines a vulnerable adult as someone lacking the physical or mental capacity to provide for their daily needs. The bill also authorizes the Office of Consumer Protection to operate a voluntary mediation program.
Fiscal Impact Summary	The bill is expected to have minimal fiscal impact on County revenues and expenditures.
Fiscal Impact Analysis	The Office of Consumer Protection (OCP) does not expect Expedited Bill 16-26 to generate significant changes in revenues and expenditures. The bill provides OCP with mediation authority and expands protections for individuals who are at least 68 years old and vulnerable adults. Implementation efforts, such as education and outreach, can be absorbed by existing staff and resources and integrated into ongoing consumer protection activities which often engage these populations. There is potential for additional revenue, but minimal fiscal impact is expected. A merchant who knowingly deceives an older adult or vulnerable person is typically engaging in more than one deceptive trade practice. Engaging in a deceptive trade practice is a Class A violation and is subject to enforcement under Section 11-11 of the County Code. In addition, the Director of the Office of Consumer Protection has the authority to bring a civil action against the merchant and seek damages.
Staff Impact	The bill requires education and outreach efforts from existing staff which can be integrated into current consumer protection activities conducted by OCP. Any extra workload can be managed with existing staff and resources.
Actuarial Analysis	The bill is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
Other Information	
Later actions that may impact revenue or expenditures if future spending is projected	The bill does not authorize future spending.
Contributors	Eva Acevedo, Office of Management and Budget Eric Friedman, Office of Consumer Protection Shaun Carew, Office of Consumer Protection

Economic Impact Statement

Montgomery County, Maryland

Expedited Bill 16-26, Consumer Protection – Amendments (Financial Exploitation Protection Act)

Summary

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 16-26 would have an indeterminate impact on overall economic conditions in the County, as measured by the Council's priority economic indicators. The Bill would: (1) expand the scope of deceptive trade practice to include the use of deception, intimidation, or undue influence to obtain the property of vulnerable adults or residents aged 68 and older; (2) authorize enforcement by the County's Office of Consumer Protection (OCP); and (3) allow OCP to operate a voluntary mediation program for consumer disputes. To assess the Bill's economic impacts, this analysis reviewed research on the prevalence of financial exploitation of older adults and attempted to identify rigorous impact evaluations estimating how effective state and local consumer protection agencies are at reducing fraud and financial exploitation.

Analysis of federal and state data indicates fraud against seniors is a serious problem. However, OLO is unable to determine whether the proposed policy change would meaningfully reduce such fraud in the County. This uncertainty stems from two main limitations: First, OLO was unable to identify rigorous impact evaluations assessing the effectiveness of state and local consumer protection efforts. Second, it is unclear whether OCP could substantially increase enforcement under the Bill without additional resources.

Background and Purpose of Expedited Bill 16-26

The County's consumer protection laws make it illegal for local businesses to engage in deceptive, unfair, or unconscionable practices. These include things such as a business:

- Promoting their goods or services to have characteristics or benefits they do not have;
- Taking payment for goods or services without delivering them; or
- Practicing without a legally required license or certification, among others.

OCP enforces local consumer protection laws by receiving and investigating complaints from community members. OCP's other responsibilities include registering and licensing certain businesses, educating consumers and businesses of their rights and responsibilities, and administering other local programs.

The purpose of Expedited Bill 16-26 is to add protections to the County's consumer protection laws for vulnerable adults and community members who are at least 68 years old. If enacted Expedited Bill 16-26 would prohibit the following as deceptive trade practices:

- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is a vulnerable adult with intent to deprive the vulnerable adult of the vulnerable adult's property;

- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is at least 68 years old, with intent to deprive the individual of the individual's property; and
- Like existing consumer protection laws, a violation of these would be a Class A violation. OCP could also enforce these laws through a civil action.

Additionally, Expedited Bill 16-26 would also allow OCP to operate a voluntary mediation program to resolve consumer protection disputes.

According to the Bill's lead sponsor, Expedited Bill 16-26 aims to align the County's consumer protection laws with state law.

The Council introduced Expedited Bill 16-26 on March 17, 2026.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 16-26 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.[1]

To assess the Bill's economic impacts, this analysis reviewed research on the prevalence of financial exploitation of older adults, drawing heavily on an exploratory study by Comparitech—a company that provides research, tools, and reviews to help users improve their cybersecurity and privacy.[2] The study estimates the prevalence and financial cost of reported elder financial exploitation in each U.S. state by combining multiple data sources to calculate state-level case rates and dollar losses.

In addition, the analysis attempted to identify rigorous impact evaluations of how effective state and local consumer protection agencies are at reducing fraud and financial exploitation. However, there is a lack of such evaluations, as existing work primarily discusses the roles and tools of these agencies rather than measuring their causal impacts of their interventions on rates of financial exploitation.

Variables

The economic effects of Bill 16-26 would primarily depend on the following variables:

- Number of deceptive trade practices prevented
- Total value of prevented deception

[1] Montgomery County Code, "Sec. 2-81B, Economic Impact Statements."
[2] Rebecca Moody, "The United States of Elder Fraud – How Prevalent Is Elder Financial Abuse in Each State?" Comparitech, last modified April 16, 2019

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Residents

OLO cannot anticipate whether Bill 16-26 would meaningfully impact certain residents in the County.

National studies and administrative data suggest elder financial fraud is widespread but significantly underreported. Thus, known cases and financial losses likely represent only a fraction of the true problem. Drawing on multiple federal and state data sources, the Comparitech study estimates that more than six in every 100 older Americans have been identified as victims of financial exploitation, with the average loss per case being $57,070. The study estimated that in Maryland there were 6,784 total cases of elder fraud reports in 2022/23, 468 per 100,000 seniors—with total losses reaching $395.6 million.

In theory, by expanding the scope of deceptive trade practices, the Bill could help preserve household income for residents who meet the criteria of 'vulnerable adult' by preventing financial losses associated with fraudulent or misleading transactions. However, OLO is unable to determine whether the proposed policy change would meaningfully reduce such fraud in the County. As previously stated, OLO was unable to identify rigorous impact evaluations assessing the effectiveness of state and local consumer protection efforts. In addition, it is unclear whether the County's OCP could substantially increase enforcement under the Bill without additional resources.

Beyond these impacts, OLO does not expect the Bill to affect residents in terms of the Council's other priority economic indicators.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 16-26 would insignificantly impact certain private organizations in the County. In theory, preventing the loss of assets, wealth, and income for residents from deceptive trade practices could prevent declines in household spending, which would have diffuse benefits for local businesses, as a significant share of household spending occurs locally. However, it is unclear whether the Bill would prevent enough cases of deceptive trade practices for the Bill to have a measurable impact on household spending in the County.

Net Impact

OLO cannot determine whether Bill 16-26 would have a meaningful impact on overall economic conditions in the County duye to the lack of rigorous impact evaluations assessing the effectiveness of state and local consumer protection efforts and lack of clarity on whether OCP could substantially increase enforcement under the Bill without additional resources.

Discussion Items

Councilmembers should consider assessing whether OCP needs additional resources to effectively enforce the proposed policy.

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

Climate Assessment

Office of Legislative Oversight

EXPEDITED BILL 16-26: CONSUMER PROTECTION – AMENDMENTS (FINANCIAL EXPLOITATION PROTECTION ACT)

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 16-26 will have no impact on the County's contribution to addressing climate change as it proposes changes to consumer protection laws and programs in the County.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 16-26

The County's consumer protection laws make it illegal for local businesses to engage in deceptive, unfair, or unconscionable practices. These include things such as a business:[1]

- Promoting their goods or services to have characteristics or benefits they do not have;
- Taking payment for goods or services without delivering them; or
- Practicing without a legally required license or certification, among others.

The County's Office of Consumer Protection (OCP) enforces local consumer protection laws. They do this by receiving and investigating complaints from community members. OCP's other responsibilities include registering and licensing certain businesses, educating consumers and businesses of their rights and responsibilities, and administering other local programs.[2]

The purpose of Expedited Bill 16-26 is to add protections to the County's consumer protection laws for vulnerable adults[3] and community members who are at least 68 years old. If enacted the Bill 16-26 would prohibit the following as deceptive trade practices:[4]

- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual the person knows or reasonably should know is *a vulnerable adult* with intent to deprive that vulnerable adult of the vulnerable adult's property; or
- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual the person knows or reasonably should know *is at least 68 years old*, with intent to deprive that individual of the individual's property.

Like existing consumer protection laws, a violation of these would be a Class A violation[5]. OCP could also enforce these laws through civil action.[6]

Additionally, Bill 16-26 would allow OCP to operate a voluntary mediation program to resolve consumer protection disputes.[7]

According to the Bill's lead sponsor, the Bill aims to align the County's consumer protection laws with state law.[8]

The Council introduced Expedited Bill 16-26 on March 17, 2026.

ANTICIPATED IMPACTS

As the Bill proposes changes to consumer protection laws and programs in the County, OLO anticipates Expedited Bill 16-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[9] OLO does not offer recommendations or amendments as Expedited Bill 16-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help increase the County's community climate resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

[1] Montgomery County Code Sec. 11-4.
[2] About OCP, Office of Consumer Protection.
[3] Bill 16-26 would define a vulnerable adult as an adult who lacks the physical or mental capacity to provide for the adult's daily needs. Introduction Staff Report for Expedited Bill 16-26, Montgomery County Council, Introduced March 17, 2026, pg. 2.
[4] Introduction Staff Report for Expedited Bill 16-26, pg. 2.
[5] Class A civil violations carry a $500 fine for the first offense and $750 fine for repeated offenses. Montgomery County Code Sec. 1-19.
[6] Introduction Staff Report for Expedited Bill 16-26, pg. 2.
[7] Ibid.
[8] Financial Exploitation Protection Act – Fact Sheet from Office of Councilmember Kate Stewart in Introduction Staff Report for Expedited Bill 16-26, pg. (4).
[9] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED BILL 16-26: CONSUMER PROTECTION - AMENDMENTS (FINANCIAL EXPLOITATION PROTECTION ACT)

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 16-26 would have a small, positive impact on racial equity and social justice (RESJ) in the County. Black community members could disproportionately benefit from adding protections for vulnerable adults to the County's consumer protection laws. These protections could also advance disability justice in the County across race by addressing consumer protection disparities among community members with disabilities.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.[1] This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.[2]

PURPOSE OF EXPEDITED BILL 16-26

The County's consumer protection laws make it illegal for local businesses to engage in deceptive, unfair, or unconscionable practices. These include things such as a business:[3]

- Promoting their goods or services to have characteristics or benefits they do not have;
- Taking payment for goods or services without delivering them; or
- Practicing without a legally required license or certification, among others.

The County's Office of Consumer Protection (OCP) enforces local consumer protection laws. They do this by receiving and investigating complaints from community members. OCP's other responsibilities include registering and licensing certain businesses, educating consumers and businesses of their rights and responsibilities, and administering other local programs.[4]

The purpose of Bill 16-26 is to add protections to the County's consumer protection laws for vulnerable adults[5] and community members who are at least 68 years old. If enacted Bill 16-26 would prohibit the following as deceptive trade practices:[6]

- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know is *a vulnerable adult* with intent to deprive the vulnerable adult of the vulnerable adult's property; or
- Knowingly and willfully obtaining by deception, intimidation, or undue influence the property of an individual that the person knows or reasonably should know *is at least 68 years old*, with intent to deprive the individual of the individual's property.

Like existing consumer protection laws, a violation of these would be a Class A violation[7]. OCP could also enforce these laws through a civil action.[8]

Additionally, Bill 16-26 would allow OCP to operate a voluntary mediation program to resolve consumer protection disputes.[9]

According to the Bill's lead sponsor, Bill 16-26 aims to align the County's consumer protection laws with state law.[10]

The Council introduced Expedited Bill 16-26 on March 17, 2026.

CONSUMER PROTECTION AND RACIAL EQUITY

Throughout history, BIPOC have experienced the brunt of unfair and harmful business practices. Racial segregation and discrimination blocked BIPOC from accessing many good and services that White people could readily enjoy. And when BIPOC have had access to goods and services, businesses have often offered them products that are inferior. Entrenched racism in the private sector makes racial inequity inherent to consumer protection issues today.

The 2008 financial crisis is a notable example of how BIPOC are uniquely exposed to unfair and harmful business practices. Leading up to the crisis, lenders used deceptive and predatory tactics to intentionally target Black and Latinx communities with subprime mortgages that were riskier and more expensive than traditional mortgages.[11,12,13] This targeting was primarily the result of structural racial discrimination in the lending industry rather than individual prejudice or racism by lenders.[14] The subsequent collapse of the housing market would lead to a foreclosure wave that fell hardest on Black and Latinx households.[15] In 2010, Congress created the Consumer Financial Protection Bureau (CFPB) to help curb the predatory financial practices that disproportionately harmed BIPOC communities.[16]

More recent research shows how BIPOC are especially impacted by consumer protection issues. For example:

- Surveys conducted by the Federal Trade Commission (FTC) since 2004 have found that Black and Latinx consumers are more likely to experience fraud than White consumers;[17]
- A 2025 survey conducted by Pew Research Center found Black, Latinx, and Asian consumers were more likely than White consumers to say they lost money because of an online scam or attack;[18] and
- A 2021 analysis by the CFPB found that census tracts with the highest share of Black consumers submitted the most complaints to the agency per resident.[19]

A 2021 report from the FTC highlights several cases across the country where BIPOC consumers were particularly harmed by unfair and deceptive business practices. These included cases in auto buying, for-profit college advertising, student loan debt relief, and prepaid card marketing, among others. In the report, the FTC noted the following key practices for the agency to address fraud in BIPOC communities:[20]

- Strong enforcement of consumer protection laws;
- Targeted outreach and collaboration with community partners to learn and educate about consumer protection issues affecting BIPOC communities;
- Conducting workshops and industry studies to explore consumer protection issues across a variety of topics;
- Engaging in advocacy work and issuing business guidance to help protect BIPOC communities from unfair business practices; and

- Conducting research to understand racial disparities in consumer protection.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 16-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 16-26:

- **Community members who are vulnerable adults** would benefit from additional protections in the County's consumer protection laws. Bill 16-26 would give a new avenue for these community members to address deceptive trade practices through OCP.

  There is no data on the population of vulnerable adults by race and ethnicity in the County. As a proxy, OLO looked at data on the demographics of County adults served through the Maryland Developmental Disabilities Administration's (DDA) Community Services Program.[21] As noted in Table A (Appendix), White, and to a lesser extent, Black, community members were overrepresented among DDA's program participants in FY22. Asian and Latinx community members were underrepresented among DDA's program participants, while Native American and Pacific Islander community members were proportionately represented.

  In creating protections for vulnerable adults, Bill 16-26 could address disparities in consumer protection among community members with disabilities. Research shows that adults with disabilities experience high rates of financial abuse.[22]

- **Community members who are at least 68 years old** would benefit from additional protections in the County's consumer protection laws. Bill 16-26 would give a new avenue for these community members to address deceptive trade practices through OCP.

  To estimate the demographics of community members who are at least 68 years old, OLO looked at Census data on the demographics of community members who are 65 years and older. As noted in Table B (Appendix), White community members are largely overrepresented among community members who are 65 and older. Latinx and Black community members are underrepresented among community members 65 and older, while Asian, Native American, and Pacific Islander community members are proportionately represented.

Taken together, OLO anticipates Bill 16-26 would have a small, positive impact on RESJ in the County. Black community members could disproportionately benefit from adding protections for vulnerable adults to the County's consumer protection laws. These protections could also advance disability justice in the County across race by addressing consumer protection disparities among community members with disabilities.

RECOMMENDED AMENDMENTS

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[23] OLO anticipates Expedited Bill 16-26 would have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers two policy options for Council consideration:

- **Require OCP to conduct targeted outreach and education to BIPOC communities.** BIPOC communities are especially impacted by consumer protection issues. To ensure BIPOC community members are informed of their rights under Bill 16-26 and other consumer protection laws, the Council could require OCP to conduct targeted outreach and education to BIPOC communities. This could also help OCP to learn about and address consumer protection issues that are specifically impacting BIPOC communities.
- **Require more detailed RESJ data collection and reporting for OCP complaints and outreach.** The Council could require OCP to collect and report data on the race and ethnicity of community members who submit complaints. They could also require OCP to report more detailed information on outreach strategies to specifically reach BIPOC communities with education and resources. More detailed reporting of RESJ complaint data and outreach strategies would give a baseline understanding of potential racial and ethnic disparities in OCP's efforts, which could be used to identify opportunities for advancing RESJ.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

APPENDIX

Table A: People Served through DDA Community Services Program by Race and Ethnicity, Montgomery County, Fiscal Year 2022

Race or ethnicity[24]	Traditional & Self-Directed Groups	Waiting List	County Adult Population
Asian	9.8	12.7	16.3
Black	23.4	30.6	18.4
Native American	0.1	0.2	0.6
Pacific Islander	0.0	0.3	0.0
White	58.1	46.9	44.3
Latinx	2.3	10.2	19.0

Source: Report on Demographic Data of Individuals Served through DDA Community Services Program, Maryland Department of Health, pgs. 15 & 25, and Table S2101, 2024 American Community Survey 5-Year Estimates, Census Bureau.

Table B: Community Members 65 and Older by Race and Ethnicity, Montgomery County

Race or ethnicity	Community Members 65 and Older	County Population
Asian	16.2	15.4
Black	13.4	18.6
Native American	0.5	0.6
Pacific Islander	0.1	0.0
White	58.2	42.1
Latinx	10.3	21.0

Source: Table S0103, 2023 American Community Survey 5-Year Estimates, Census Bureau.

[1] Definition of racial equity and social justice adopted from M. Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] Montgomery County Code Sec. 11-4.
[4] About OCP, Office of Consumer Protection.
[5] Bill 16-26 would define a vulnerable adult as an adult who lacks the physical or mental capacity to provide for the adult's daily needs. Introduction Staff Report for Expedited Bill 16-26, Montgomery County Council, Introduced March 17, 2026, pg. 2.
[6] Introduction Staff Report for Expedited Bill 16-26, pg. 2.
[7] Class A civil violations carry a $500 fine for the first offense and $750 fine for repeated offenses. Montgomery County Code Sec. 1-19.
[8] Introduction Staff Report for Expedited Bill 16-26, pg. 2.
[9] Ibid.
[10] Financial Exploitation Protection Act – Fact Sheet from Office of Councilmember Kate Stewart in Introduction Staff Report for Expedited Bill 16-26, pg. (4).
[11] D. Massey et al., "Riding the Stagecoach to Hell: A Qualitative Analysis of Racial Discrimination in Mortgage Lending," City Community, January 16, 2019.
[12] R. Rothstein, "Subprime loan debacle intensified segregation," Economic Policy Institute, April 3, 2012.
[13] A. Austin, "Subprime mortgages are nearly double for Hispanics and African Americans," Economic Policy Institute, June 11, 2008
[14] D. Massey et al., "Riding the Stagecoach to Hell: A Qualitative Analysis of Racial Discrimination in Mortgage Lending."
[15] A. Williams, "Lending Discrimination, the Foreclosure Crisis and the Perpetuation of Racial and Ethnic Disparities in Homeownership in the U.S.," William & Mary Business Law Review, April 2015, pgs. 629-630.
[16] "Building the CFPB," Consumer Financial Protection Bureau, last updated August 8, 2023.
[17] "Serving Communities of Color: A Staff Report on the Federal Trade Commission's Efforts to Address Fraud and Consumer Issues Affecting Communities of Color," Federal Trade Commission, October 2021, pg. 40.
[18] J. Gottfried, et al., "Online Scams and Attacks in America Today," Pew Research Center, July 31, 2025.
[19] "Consumer complaints throughout the credit life cycle, by demographic characteristics," Consumer Financial Protection Bureau, September 2021.
[20] "Serving Communities of Color: A Staff Report on the Federal Trade Commission's Efforts to Address Fraud and Consumer Issues Affecting Communities of Color," Federal Trade Commission.
[21] The Developmental Disabilities Administration (DDA) is the main Maryland state agency that pays for services in communities for people with intellectual and developmental disabilities. "About DDA," Maryland Department of Health Developmental Disabilities Administration.
[22] E. Lightfoot and H. Yun, "Financial Abuse of Adults with Lifelong Disabilities: A Scoping Review," Society for Social Work and Research 25th Annual Conference, January 20, 2021.
[23] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[24] For data in Tables A and B, race is inclusive of Latinx origin.