

Department of Legislative Services
2010 Session

FISCAL AND POLICY NOTE

House Bill 1150
Economic Matters

(Delegate Hecht, *et al.*)

Consumer Protection - Damages for Violations of the Maryland Consumer Protection Act

This bill authorizes a court to award statutory damages from \$500 to \$5,000 for a violation of the Maryland Consumer Protection Act (MCPA) and treble damages if a defendant willfully or knowingly violates MCPA.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: An unfair or deceptive trade practice under MCPA includes 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 or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer service; the extension of consumer credit; and the collection of consumer debt.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, hold a public hearing, seek an injunction, or bring an action for damages.

A merchant who violates MCPA is subject to a fine of up to \$1,000 for the first violation and up to \$5,000 for each subsequent 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.

Under current law, a consumer may bring an action to recover damages for injury or loss. Thus, in addition to any damages recovered by the consumer, the State may impose criminal penalties and recover additional civil penalties.

Additional Information

Prior Introductions: HB 797 of 2009 received a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2010
mpc/kdm

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