

Article - Commercial Law

§14–1101.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Buyer” means a person who buys consumer goods under a layaway agreement, even though he has entered into one or more renewal, extension, or refund agreements.

(2) “Buyer” includes a prospective buyer.

(c) “Cash price” means the minimum price for which consumer goods subject to a layaway agreement, or other consumer goods of like kind and quality, may be purchased for cash from the seller by the buyer.

(d) “C.O.D. transaction” means an agreement by which the seller requires the buyer to pay the full cash price of the consumer goods upon delivery or tender of delivery by the seller, less any down payment made by the buyer. A C.O.D. transaction does not include an agreement by which the seller requires the buyer to pay interim payments before delivery or tender of delivery of the consumer goods by the seller.

(e) “Consumer goods” means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.

(f) “Down payment” means all amounts paid in cash, credits, or the agreed value of goods, by or for a buyer and to or for the benefit of the seller at or before execution of a layaway agreement or C.O.D. transaction.

(g) (1) “Layaway agreement” means a contract for the retail sale of consumer goods, negotiated or entered into in the State, under which:

(i) Part or all of the layaway price is payable in one or more payments subsequent to the making of the layaway agreement;

(ii) The consumer goods are specific existing consumer goods identified from the seller’s stock or inventory at the time of the making of the layaway agreement; and

(iii) The seller retains possession of the consumer goods and bears the risk of their loss or damage until the layaway price is paid in full.

(2) “Layaway agreement” includes a “special order transaction,” as defined in this section.

(3) “Layaway agreement” does not include a bona fide C.O.D. transaction.

(4) “Layaway agreement” does not include any form of layaway agreement

where the buyer can default without any penalty, other than a maximum service charge of \$1.

(h) “Layaway price” means the cash price of consumer goods together with an optional service charge, not to exceed \$1 if the price of the consumer goods is \$500 or less or \$5 if the price of the consumer goods exceeds \$500.

(i) “Retail sale” means the sale of consumer goods for use or consumption by the buyer or for the benefit or satisfaction which the buyer may derive from the use or consumption of the consumer goods by another, but not for resale by the buyer.

(j) “Seller” means a person who sells or agrees to sell consumer goods under a layaway agreement.

(k) “Special order transaction” means a contract for the retail sale of consumer goods, negotiated or entered into in the State, under which either:

(1) Consumer goods:

(i) Are ordered by the buyer to the buyer’s unique specifications;

(ii) Are not carried by the seller, either in the seller’s showroom or warehouse;

(iii) Are ordered from a manufacturer or supplier; and

(iv) Are not resalable by the seller at the sale price negotiated with the buyer; or

(2) Consumer goods which have been altered at the request of the buyer so that the goods are no longer salable to the general public.