

# SENATE BILL 514

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By: **Senator Pinsky**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

AN ACT concerning

### **Commercial Law – Automatic Renewals**

FOR the purpose of requiring a person who offers an automatic renewal offer online to allow consumers to cancel the automatic renewal in a certain manner; requiring automatic renewal offers that contain a free gift or trial to include a certain notice; establishing that a violation of this Act is an unfair or deceptive trade practice and subject to certain enforcement and penalty provisions; defining a certain term; and generally relating to automatic renewals.

BY adding to

Article – Commercial Law

Section 14–4201 through 14–4204 to be under the new subtitle “Subtitle 42.  
Automatic Renewals”

Annotated Code of Maryland

(2013 Replacement Volume and 2018 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

### **Article – Commercial Law**

#### **SUBTITLE 42. AUTOMATIC RENEWALS.**

**14–4201.**

**IN THIS SUBTITLE, “AUTOMATIC RENEWAL” MEANS ANY CONTRACT, PLAN, OR AGREEMENT BETWEEN A CONSUMER AND A SELLER IN WHICH A PAID SUBSCRIPTION OR PURCHASING AGREEMENT IS AUTOMATICALLY RENEWED AT THE END OF A DEFINITE TERM FOR A SUBSEQUENT TERM.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



**14-4202.**

**(A) A PERSON THAT OFFERS AN AUTOMATIC RENEWAL OFFER ONLINE SHALL ALLOW A CONSUMER WHO ACCEPTS AN AUTOMATIC RENEWAL OFFER ONLINE TO TERMINATE THE AUTOMATIC RENEWAL EXCLUSIVELY ONLINE.**

**(B) THE ONLINE TERMINATION IN SUBSECTION (A) OF THIS SECTION MAY INCLUDE A TERMINATION E-MAIL FORMATTED AND PROVIDED BY THE PERSON THAT A CONSUMER CAN SEND TO THE PERSON WITHOUT ADDITIONAL INFORMATION.**

**14-4203.**

**IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR TRIAL, THE OFFER SHALL INCLUDE A CLEAR AND CONSPICUOUS NOTICE OF:**

**(1) THE PRICE THAT WILL BE CHARGED AFTER THE TRIAL ENDS; OR**

**(2) THE MANNER IN WHICH THE SUBSCRIPTION OR PURCHASING AGREEMENT PRICING WILL CHANGE ON CONCLUSION OF THE TRIAL.**

**14-4204.**

**A VIOLATION OF THIS SUBTITLE IS:**

**(1) AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND**

**(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.**

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019.**