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March 22, 2023

To: The Honorable Melony Griffith, Chair
Finance Committee

From: Philip Ziperman, Deputy Chief
Consumer Protection Division

Re: House Bill 27 – Commercial Law - Consumer Protection Act - Floral Wire Services
(LETTER OF INFORMATION)

The Consumer Protection Division of the Office of the Attorney General submits the following letter of information concerning House Bill 27, sponsored by Delegate Griffith, which would define as an unfair, abusive, or deceptive trade practice a floral wire service's failure to disclose to customers that they are buying from a floral wire service and not directly from a local florist.

It would be a misrepresentation in violation of 13-301(1) of the CPA to represent that a business is a local business when it is not. Although limited to directory listings, the General Assembly previously addressed a similar issue in connection with florists who took out listings in telephone directories falsely suggesting they were local businesses. *See* Chapters 10 and 11 (2009), codified at Md. Code Ann., Com. Law § 11-704.1.

Also, Section 13-301(3) of the Consumer Protection Act requires disclosure of material facts to consumers if the failure to disclose those facts would deceive or tend to deceive consumers. "An omission is material if a significant number of unsophisticated consumers would find that information important in determining a course of action." *Green v. H & R Block*, 355 Md. 488, 524 (1999).

Accordingly, the Consumer Protection Division requests that the Finance Committee take the above information into consideration as it reviews House Bill 27.

cc: The Honorable Mike Griffith
Members, Finance Committee