

SB 0024 Support Letter.pdf

Uploaded by: Alisa Bralove-Scherr

Position: FAV

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January 31, 2024

To: The Honorable Pamela Beidle
Chair, Finance Committee

From: Alisa Bralove-Scherr, Deputy Director
Consumer Protection Division Mediation Unit

Re: Senate Bill 24 – Consumer Protection – Retail Sales – Return and Exchange Policy
(Right to Refund Information Act) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports Senate Bill 24 submitted by Senator Cheryl C. Kagan. This bill codifies the Maryland Refund Rule in COMAR 02.01.05.01 through .05, and adds transparency, so consumers are informed of a retailer's refund policy prior to making a purchase.

The Maryland Refund Rule requires a business that limits refunds and exchanges to display the refund policy (1) on a sign in the store, (2) on a label attached to the goods, or (3) on the receipt the consumer receives after purchase. Senate Bill 24 continues to allow the first two options but eliminates the choice to only put it on the receipt. This is because disclosing the refund policy only on the receipt prevents the consumer from seeing the policy prior to purchase and a consumer can only make an educated decision when they have that information up front.

This bill also adds protection for consumers making online purchases. Many online retailers bury their refund policy in their terms and conditions, so consumers may not see that information prior

to purchase. This bill would require online retailers to put their refund policy on a part of the site that the consumer must view before completing the transaction. Once again, this greater transparency helps consumers know what to expect if they want to return a purchase.

Businesses may also benefit from this added disclosure. The Consumer Protection Division received nearly 2,800 complaints involving refund requests in the past three years. A clearly displayed refund policy may reduce the number of disputes that arise.

For these reasons, the Consumer Protection Division requests that the Finance Committee return a favorable report on Senate Bill 24.

cc: The Honorable Cheryl C. Kagan
Members, Finance Committee

DCRS_ Support - SB 24 Right to Refund Information

Uploaded by: Calvin Ball

Position: FAV



HOWARD COUNTY DEPARTMENT OF COMMUNITY RESOURCES AND SERVICES

9830 Patuxent Woods Drive ■ Columbia, Maryland 21046 ■ 410-313-6400 voice/relay

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communityresources@howardcountymd.gov

FAX 410-313-6424

January 31, 2024

Senator Pamela Beidle, Chair
Senator Katherine Klausmeier, Vice Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
Annapolis, Maryland 21401

RE: SB0024: Consumer Protection - Retail Sales - Return and Exchange Policy (Right to Refund Information Act)

Chair Beidle, Vice Chair Klausmeier and Members of the Finance Committee,

The Howard County Department of Community Resources and Services (DCRS) provides vital human services through its nine offices and ten boards and commissions. The office relevant to this bill, the Office of Consumer Protection (OCP) helps to protect Howard County consumers and tenants by mediating disputes, taking enforcement action or providing tips on how to avoid scams or make smart purchasing decisions.

DCRS, and the OCP, file this comment in support of SB24, a bill sponsored by Senator Kagan, which seeks to bring common sense and pragmatic amendment to the state's consumer protection law. Advance knowledge and disclosure of our rights in connection with transactions is a cornerstone of consumer law. However, in one instance, the state's law has long allowed after the fact disclosure-return and refund policies.

Knowing the retailer's return policy, especially if it is a "no returns allowed" or "no exchanges allowed" policy *prior to* engaging in the transaction is a material fact for the average consumer. Having that disclosed on a receipt, once the transaction is completed, gives consumers no opportunity to incorporate this fact into their purchasing decision. By the time the policy is made known, it is too late to the decision-making process. For this reason, DCRS by and through its Office of Consumer Protection, supports this bill.

Sincerely,

DocuSigned by:

287A14FE698F43F...

Jacqueline Scott, Director

Cc: Honorable Dr. Calvin Ball III, Howard County Executive
Tracy Rezvani, Administrator OCP

The Department of Community Resources and Services provides vital human services through its offices of ADA Coordination, Aging and Independence, Children and Families, Community Partnerships, Consumer Protection, Disability Services, Human Trafficking Prevention, the Local Children's Board, and Veterans and Military Families.

testimony2024sb24ltr.pdf

Uploaded by: Franz Schneiderman

Position: FAV



Auto Consumer Alliance
13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

Testimony to the Senate Finance Committee
SB 24 – Consumer Protection – Retail Sales – Return and Exchange Policy
(Right to Refund Information Act)
Position: Favorable

Jan. 31, 2024

The Honorable Pam Beidle
Senate Finance Committee
3 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Senate Finance Committee

Honorable Chair Beidle and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works to protect consumers and promote safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **SB 24** because it would help Maryland consumers get better information about a retailer's refund policies **BEFORE** they make a purchase, either at the point of sale for an in-person transaction or on a page the consumer sees before completing an online sale.

Under current rules, retailers are required to post their refund policies. If retailers don't post their rules, they are required to accept returns in a reasonable time frame and provide consumers with a refund or an exchange of merchandise.

But this bill clarifies that the disclosure must be made prominently at the point of sale, rather than in some other place in the store where the consumer may not see it or on a receipt or record of sale that the consumer will not see until his or her purchase is completed.

That rule should help buyers know the store's policy before they buy – and help prevent costly and unpleasant mistakes and rancorous disputes over their purchases.

We ask you to give **SB 24** a **FAVORABLE** report.

Sincerely,

Franz Schneiderman
Consumer Auto

SB 24 - MoCo_Consumer Protection_FAV (GA 24).pdf

Uploaded by: Kathleen Boucher

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

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SB 24

DATE: January 31, 2024

SPONSOR: Senator Kagan

ASSIGNED TO: Finance

CONTACT PERSON: Kathleen Boucher (Kathleen.boucher@montgomerycountymd.gov)

POSITION: Support (Office of Consumer Protection)

Consumer Protection – Retail Sales – Return and Exchange Policy (Right to Refund Information Act)

Full disclosure is an important underpinning of consumer protection and integrity in our marketplace. Current State regulations governing refund and exchange policies fail to ensure that a merchant has fully disclosed the terms of the merchant's policy before the transaction is completed. Unfortunately, the regulations allow a merchant to have the option of only disclosing the terms of a merchant's refund and exchange policy on the receipt after the consumer has paid for the purchase.

The intent of the current law is admirable and necessary. It is essential for consumers and merchants to know the terms of a refund or exchange policy before the transaction is consummated. When a merchant's refund and exchange policy is only provided to a consumer after the consumer has made payment, the consumer does not have full disclosure of the merchant's refund and exchange policies prior to making the purchase.

This bill will codify in Maryland's Consumer Protection Act that disclosure of refund and exchange policies must be provided before a consumer pays for the merchandise; and cannot only be disclosed on a merchant's receipt.

This bill serves to ensure the intent of current law, which is to require complete and timely disclosure to consumers. The Montgomery County Office of Consumer Protection frequently receives questions and complaints regarding refund and exchange policies and we respectfully request that the Finance Committee give this bill a favorable report.

2024 Testimony - Refund Policy - SB24 - C. Kagan.p

Uploaded by: Sen. Cheryl Kagan

Position: FAV

CHERYL C. KAGAN
Legislative District 17
Montgomery County

—
Vice Chair
Education, Energy, and
the Environment Committee

—
Joint Audit and Evaluation Committee
Joint Committee on Federal Relations



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SB24: Refund Policy Update

Senate Finance Committee

Wednesday, January 31, 2024 at 1:00 PM

Imagine a consumer purchasing a sweater in a store. After checking out, he receives a receipt. He later tries on the sweater at home, only to find it's too small. Consulting the receipt, he discovers the store's policy that all sales are final. He cannot get his money back. Had the consumer been aware of this policy, he might have hesitated before making the purchase. The store, however, was in compliance with MD law.

Currently, merchants must post their refund policy:

- On clearly visible signs;
- On merchandise; **OR**
- On sales receipts.

Consumers will not see a return policy on a receipt until **after** the transaction, denying them the ability to make informed decisions before the purchase.

[SB24](#) (the "Right to Refund Information Act") would require that merchants display their return policy on a price tag; at the point of sale; or on a webpage a consumer must view before paying online. This bill was requested by the Montgomery County Office of Consumer Affairs. The Attorney General's Consumer Protection Division testified in favor of both this year's and last year's identical bill ([SB179](#)).

Merchants may still decide not to accept returns, but consumers deserve to know the ramifications of their purchasing decisions **before** paying.

Thirteen states ([CA](#), [CT](#), [FL](#), [HI](#), [MA](#), [MN](#), [NJ](#), [NY](#), [OH](#), [RI](#), [UT](#), [VT](#), [VA](#)) already require retailers to display their return policy prior to in-person purchases; Utah regulates phone and online purchases as well. Let's be the fourteenth!

I urge a favorable report on SB24.

2024 GBCC SB 24 Refunds and Exchanges.pdf

Uploaded by: Ashlie Bagwell

Position: UNF



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Opposition to
Senate Bill 24—Consumer Protection—Retail Sales—Return and Exchange Policy (Right to
Refund Information Act)
January 31, 2024
Senate Finance Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments in opposition to Senate Bill 24— Consumer Protection—Retail Sales—Return and Exchange Policy (Right to Refund Information Act).

Simply put, the Greater Bethesda Chamber is opposed to Senate Bill 24 because we feel it is unnecessary. Current regulations already require retailers to disclose to all customers in writing the terms and conditions of the merchant’s refund and exchange policies, or, conversely, the policy of no refunds or exchanges. We believe this current policy strikes a balance between informing consumers and providing flexibility for the retailer. While there certainly are issues in the retail industry to be addressed, we do not believe this is one of them.

For these reasons, we strongly oppose Senate Bill 24 and urge a favorable vote.