



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

TechNet Mid-Atlantic | Telephone 717.585.8622  
www.technet.org | @TechNetMidAtla1

January 17, 2025

The Honorable C.T. Wilson  
Chair  
House Economic Matters Committee  
Maryland House of Delegates  
Taylor House Office Building, Room 231  
6 Bladen Street, Annapolis, MD 21401

*RE: HB 194 (Conaway) - Consumer Protection - Retail Sales - Reimbursement of Shipping Costs - Oppose*

Dear Chair Wilson and Members of the Committee,

On behalf of TechNet, I'm writing to provide remarks on HB 194 related to the reimbursement of shipping costs.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.5 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, Tallahassee, and Washington, D.C.

Conceptually, TechNet doesn't take issue with the refund requirements outlined in this bill, and our members understand that consumer products must be returned in certain cases. Our member companies are flexible with their return policies. For example, some TechNet member companies offer refunds within a 30-day window, and sometimes 60-day windows. If the item is of low cost and the seller uses a specific avenue to sell, in many cases, some of our member companies may not even require that a consumer return the item. Additionally, our members offer methods of returning items that do not require shipping, such as drop off at an affiliated location.

From our reading, the bill reads a bit vague, and the definitions seem to be non-specific, which could create compliance concerns. The requirement that a merchant refund the full amount of shipping for any item that is "incorrect" is ambiguous and raises a lot of questions. Does incorrect mean the seller shipped them the wrong

item? Or the customer simply bought the wrong size and would like a new item? The same applies if the item was purchased by mistake – the customer should hold some responsibility in relation to a merchant’s responsibility.

Additionally, there is no requirement for when the return must be completed, only a requirement that the merchant must refund to a consumer within 30 days of the return. This could be ripe for abuse by customers who will purchase goods and keep them for however long knowing that they will be able to return them for a full refund.

In addition, the enforcement regime is of concern. These provisions are placed into the Consumer Protection Act, which allows for a private right of action. This is an entirely disproportionate enforcement mechanism compared to any potential harm. Enforcement of any violation of this act should align with the State’s existing online consumer protections. We believe the Attorney’s General Office, with their jurisdictional expertise around consumer protections, is best poised to develop a thoughtful, consistent approach to marketplace regulation. If this honorable committee votes to favorably report this bill, we ask that you consider the following amendment language:

- **There shall be no private right of action for a violation of this act, and a violation of this act shall not serve as the basis for a private right of action under any other provision of law.**

We are not opposed to this bill in theory, but we request that the language be clarified to prevent fraud and abuse by customers and strike the right balance between consumer protection and business innovation. Thank you for your consideration and we look forward to continuing these discussions with you.

Sincerely,

*Margaret Durkin*

Margaret Durkin  
TechNet Executive Director, Pennsylvania & the Mid-Atlantic