

Pruski_Testimony HB107 FAV.pdf

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Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB107

Testimony by Delegate Andrew Pruski

January 21, 2025 – Economic Matters Committee

What the Bill Does:

The purpose of Bill 1049 Consumer Protection - Automatic Renewals establishes a regulatory framework to govern “automatic renewals,” which the bill defines as 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. Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to civil and criminal penalty provisions.

Why the Bill is Important:

In numerous instances consumers are exposed to unfair, abusive, or deceptive trade practices in which there is a subscription or purchasing agreement is renewed. While intentional or not, this bill looks to improve consumer knowledge, disclosure, and transparency of transactions involving subscriptions or purchasing agreement.

To provide some specific details, the following are included in the bill:

- Require that consumers are provided with the terms of the offer in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity to, or in the case of an offer conveyed orally, at the same time as, the request for consent to the offer, include the price that will be charged after the initial term ends or the manner in which the subscription or purchasing agreement will change at the end of the initial term
- Present consumers with an easily accessible disclosure of the methods that the consumer may use to cancel the automatic renewal; and allow the consumer to terminate the offer in a manner that does not delay, hinder, or obstruct the consumer’s ability to terminate the automatic renewal.
- Violation of the bill is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.
- If the offer includes a free gift or trial, the offer must include a clear and conspicuous explanation of the price that will be charged after the trial ends and the manner in which the subscription or purchasing agreement pricing will change at the end of the trial.

On behalf of Maryland’s consumers, I urge a favorable report on HB107.

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Uploaded by: Franz Schneiderman

Position: FAV



**Testimony to the House Economic Matters Committee
HB 107– Consumer Protection– Automatic Renewals
Position: Favorable**

The Honorable C.T. Wilson
House Economic Matters Committee
251 Lowe House Office Building
Annapolis, MD 21401
cc: Members, House Economic Matters Committee

Jan. 21, 2025

Honorable Chair Wilson and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works to secure safety, transparency, and fair treatment for Maryland drivers and consumers.

We support **HB 107** because it takes important steps to protect Marylanders against automatic renewal practices that can be very costly and frustrating for many consumers. Fundamentally, the bill is about transparency and making sure consumers have the opportunity to make an informed choice about whether they want to renew or continue their purchase of a subscription service – and have convenient and consumer-friendly ways to cancel if they so choose.

The kind of marketing this bill would address (often called negative-option marketing) regularly uses deceptive practices to get people to sign up for products they may not really want or to turn attractive trial offers or short-term subscriptions into enduring and costly obligations. While automatic renewals can be a convenient way for consumers to maintain access to a useful service, too often the contracts renew without giving purchasers an opportunity to consider whether they want to keep paying for them or giving consumers a straightforward option to cancel.

Consumer frustration with these practices is commonplace. In 2020 the Better Business Bureau reported it had received 58,400 consumer complaints about “free trials” and automatic renewals over the last three years.¹ The Federal Trade Commission (FTC) last year reported receiving more than 70 complaints a day about such practices. The New York Times (\$3.9 million), the Washington Post (\$6.7 million), weight-loss marketer Noom (\$62 million), Sirius XM (\$3.8 million), Vonage (\$100 million), McAfee (\$80 million), TransUnion, and Epic Games (\$520 million) are among the well-known marketers that have had to pay multi-million settlements for such practices over the last several years.

In response to consumer concerns, the FTC and many state legislatures have taken strong steps to rein-in automatic renewal abuses. After years of consideration, the FTC in October announced a new “Click to Cancel” rule that would require informed consent, crack down on misinformation, and guarantee consumers have an easy way to cancel renewing subscriptions.² While the new

¹ <https://stateline.org/2022/03/04/it-turns-out-state-lawmakers-hate-auto-renew-contracts-too/>

² <https://www.ftc.gov/news-events/news/press-releases/2024/10/federal-trade-commission-announces-final-click-cancel-rule-making-it-easier-consumers-end-recurring>



federal rule offers important protections (scheduled to take effect in May), it does not offer all of the protections **HB 107** would provide. At the same time, court challenges and hostility from the incoming Trump administration make it far from clear that the rule will ever take effect.³

More than 20 states have also now acted to regulate automatic renewal contracts – and states including California, New York, Maine, and Virginia have established fairly rigorous requirements in recent years. But in Maryland, while some of these negative-option marketing practices may violate the MD Consumer Protection Act’s prohibition on unfair and deceptive trade practices, the state is yet to take clearer steps to rein-in abusive automatic renewal practices.

HB 107 takes a number of important steps to ensure consumers can make an informed choice about renewing their obligations. It mandates, among other things, that automatic renewal contracts must:

- Present their terms in a clear and conspicuous way before the consumer signs on.
- Give consumers clear information about how they may cancel.
- Allow consumers to end their subscription without undue delay or difficulty.
- Explain clearly the prices and terms that will take effect once a free trial period expires.
- Provide a widely-accessible mechanism (i.e. toll-free number or an email address or a direct link in a consumer’s account) for cancelling the contract.
- Give consumers timely notice of when a free trial period will end, that the contract will renew unless cancelled by that date, and also about how they can cancel.

Importantly, the bill also requires merchants using automatic renewals to give clear, conspicuous, and timely notice to consumers before making an automatic charge to our credit cards. Unfortunately, the FTC chose to omit such a common-sense obligation from its new “Click to Cancel” rule; so even if that rule is fully implemented, it will not require that we be notified before being assessed a renewal charge.

The bill strengthens consumer protections by making failing to live up to the obligations noted above is an unfair and deceptive practice under Maryland’s Consumer Protection Act (although unfortunately, as drafted, it would prevent consumers from having a private right of action to enforce their rights under that law).

Broadly modeled on legislation that states like California and Maine have used effectively to protect consumers against automatic renewal abuses, this bill nevertheless will give consumers considerable (and overdue) added protections under state law against a common form of abuse.

We strongly support HB 107 and ask you to give it a FAVORABLE report.

Sincerely,
Franz Schneiderman
Consumer Auto

³ <https://www.usatoday.com/story/money/2025/01/14/ftc-click-to-cancel-rule-get-canceled/77671809007/>

HB107 Automatic Renewal EconAction FAV.docx.pdf

Uploaded by: Marceline White

Position: FAV



**Testimony to the House Economic Matters Committee
HB107 Consumer Protection - Automatic Renewals
Position: Favorable**

January 21, 2025

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights, equity and housing justice for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing to urge your favorable report toward HB 107 which provides clarity and transparency to contracts which renew. Subscription models have increased as a business practice over the past decade. In these models, consumers sign up for a service, often a trial subscription, and are charged monthly for the service or product. Unfortunately, many businesses have not made it clear that consumers are signing up for a monthly debit from their bank account or charge, while others make it onerous and time-consuming to cancel the subscription.

To address these deceptive practices, the Federal Trade Commission (FTC) issued a 'click-to-cancel' rule which makes it as easy for consumers to cancel subscriptions as it is to sign up for one. The rule took effect early this year but may be rescinded or weakened under the new administration.¹

HB107 hews closely to the FTC rule and is similar to laws in more than 20 states on automatic renewals². The legislation provides commonsense transparency and clarity to these subscription contracts.

¹ [Will 'click to cancel' get canceled? FTC rule faces uncertain fate](#)

² *ibid*

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Tax ID 52-2266235

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.



Specifically, the legislation:

- Present their terms in a clear and conspicuous way before the consumer signs on.
- Give consumers clear information about how they may cancel.
- Allow consumers to end their subscription without undue delay or difficulty.
- Explain clearly the prices and terms that will take effect once a free trial period expires.
- Provide a widely-accessible mechanism (i.e. toll-free number or an email address or a direct link in a consumer's account) for cancelling the contract.
- Give consumers timely notice of when a free trial period will end, that the contract will renew unless cancelled by that date, and also about how they can cancel.

HB107 makes violations of these terms a violation of the MDCPA.

For all these reasons we support HB107 and urge a favorable report.

Best,

Marceline White
Executive Director

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info@econaction.org · www.econaction.org
Tax ID 52-2266235

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

MD Auto-Renew Testimony (HB 107) - DoorDash - FWA.

Uploaded by: Caitlin McDonough

Position: FWA

January 17, 2025



The Honorable C.T. Wilson

Chair

House Economic Matters Committee

Maryland House of Delegates

Lowe House Office Building, Room 231

6 Bladen Street, Annapolis, MD 21401

RE: HB 107 (Pruski) - Consumer Protection - Automatic Renewals

Dear Chair Wilson and Members of the Committee,

Thank you for the opportunity to testify today on behalf of DoorDash regarding House Bill 107.

DoorDash is a technology company that connects consumers to the best of their local communities. We are deeply committed to consumer transparency, ensuring that customers have clear and accurate information to make informed decisions. We strive to provide transparency across all the products and services we offer, including our subscription savings program. By prioritizing openness and accountability, we aim to build trust and deliver a seamless experience for our customers every day.

To that end, while we are firmly aligned on the need for full transparency in auto-renewal contracts, we have several concerns with HB 107 as drafted. While we share the sponsor's commitment to promoting transparency in subscription auto-renewals, we oppose the bill in its current form due to provisions that are vague, ambiguous, or may degrade the consumer experience. We appreciate your effort to address this important issue and look forward to collaborating to improve the legislation.

First, the requirement in Section B(1)(II) for businesses to disclose all cancellation methods at the point of signup is problematic. For businesses offering multiple cancellation options, this could overwhelm consumers with excessive information, detracting from their overall experience. Additionally, it is impractical to disclose all methods in space-constrained environments, such as app settings. We propose amending the bill to require businesses to disclose at least one cancellation method at signup, balancing transparency with usability.

January 17, 2025

Second, the language in Section B(3)(II)(3.)(A) requiring a “direct link” is vague and could lead to inconsistent interpretations. To ensure clarity and practicality, we recommend specifying that the “direct link” should lead to the initiation of the cancellation process. This clarification aligns with the bill’s intent to simplify cancellations for consumers while ensuring they have the opportunity to explore alternative options, such as discounts, promotions, or temporary pauses.

Third, the notice requirements in Section D are unclear and appear redundant with other notice obligations already outlined in the bill. To avoid confusion and ensure clarity in implementation, we recommend striking Section D.

At DoorDash, we remain committed to transparency and delivering the best possible experience for our consumers. We believe that by refining the language in HB 107 to address these concerns, the legislation can better achieve its goals without creating unnecessary burdens or confusion.

Thank you for your consideration. We look forward to working with the committee to address these issues.

Sincerely,
Chad Horrell
Senior Manager, DoorDash

MD HB 107 Testimony- LexisNexis - FWA.pdf

Uploaded by: Caitlin McDonough

Position: FWA

January 17, 2025

The Honorable C.T. Wilson
Chair, House Economic Matters Committee
House Office Building, Room 230
6 Bladen Street
Annapolis, MD 21401

Re: House BILL 107 – CONSUMER PROTECTION- AUTOMATIC RENEWALS (Favorable with amendment)

Dear Chair Wilson and Members of the House Economic Matters Committee:

I am writing on behalf of LexisNexis Risk Solutions (“LexisNexis”), a leading provider of credential verification and identification services for government agencies, Fortune 1000 businesses, and the property and casualty industry, to express concerns with House Bill 107, as introduced. While LexisNexis appreciates and supports Maryland’s efforts to provide practical and effective consumer protections for automatic contract renewals, we join with industry in seeking clarifications in the proposed law to ensure the language accurately reflects the intention of the legislation.

Specifically, LexisNexis respectfully requests that the Committee consider amending the proposed legislation to define “**consumer**” as “**any individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes.**” The intention of the legislation is to protect consumers from confusing, overly complicated, and predatory contract renewal processes. As currently drafted, the legislation could create conflicting and unnecessary requirements for business-to-business and business-to-government contracts. This proposed definition of consumer will help prevent unintended consequences.

LexisNexis takes this opportunity to thank Delegate Pruski for his hard work in this space. Thank you for your consideration of LexisNexis’ feedback on the proposed legislation.

Please let us know if we can answer any questions or provide any additional information.

Respectfully submitted,

Jeffrey Shaffer
Manager, Government Affairs, Mid-Atlantic
RELX (parent company of LexisNexis Risk Solutions)
1150 18th Street, NW, Suite 600
Washington DC, 20036
Mobile: 202-286-4894
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Maryland - Written Testimony HB 107 Autorenewal (1

Uploaded by: Rob Garagiola

Position: FWA



**Testimony of
Mike Blank
CTIA**

**Seeking Amendment to
HB 107 – Automatic Renewal**

**Before the
Maryland House Economic Matters Committee**

January 21, 2025

On behalf of CTIA, the trade association for the wireless communications industry, I write to you to outline concerns and request clarifying language related to HB 107, regarding cancellation of subscriptions and automatic renewal. Because we do not believe wireless service providers are the intended target of this legislation, CTIA respectfully requests clarifying language, so the bill does not inadvertently impact wireless providers which offer services that renew on a month-to-month basis.

Our main concern is that the bill includes a requirement to allow customers to cancel a subscription online. This requirement could lead to customers inadvertently cancelling their phone service, resulting in the loss of service and even their phone number. Instead, cancellations for wireless service should be done through interaction with a customer service representative to ensure these risks are understood. Too, mobile service is unique in that customers generally do not cancel their wireless service entirely but typically choose to move to another carrier. Customers may move their mobile service to a new carrier by “porting” their number and beginning service with a new wireless provider at any time without ever having to speak with their current provider. As a result, our customers do not encounter the kinds of obstacles to cancellation this legislation seeks to address.



Importantly, the Federal Communications Commission (FCC) is the primary regulator of wireless carriers. Our members are not only subject to FCC regulations governing number porting, but transparency in wireless carriers' billing and terms of service. Other states, including Oregon¹ and Minnesota², have acknowledged the need to ensure that wireless service is not impacted when they have passed its law regarding automatic renewals. Accordingly, CTIA respectfully requests that Maryland follow this sound policy and specifically exempt wireless service.

Since 2003, CTIA's Consumer Code for Wireless Service has been an integral part of delivering superior customer service to wireless consumers. The Code – which is followed in all 50 states – has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry. The Code affords wireless providers the flexibility to respond to changes in consumer demand.

Wireless carriers that are signatories to the Code have committed to voluntarily adhere to a set of industry standard principles. These principles include agreeing to disclose to consumers at point of sale and on their web sites whether a fixed-term contract is required and its duration; the amount and nature of any early termination fee that may apply; and the trial period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy, in addition to providing ready access to customer service. The Code has helped consumers make informed decisions when selecting a wireless plan and has contributed to the continued competitiveness within the wireless industry. The wireless industry continues to make changes to its customer facing policies to remain competitive in the marketplace and adding

¹ Or. Rev. Stat. §§ 646A.292 to 646A.295

² Minnesota SF 3920 (2024) Section 9(4)



exemption language like other states will allow continued consumer choice without the potential for additional consumer confusion.

Thank you for your consideration.

HB 107 - Automatic Renewals - CPD - Support.pdf

Uploaded by: Steven M. Sakamoto-Wengel

Position: FWA



CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

STEVEN M. SAKAMOTO-WENGEL
*Consumer Protection Counsel for
Regulation, Legislation and Policy*

January 21, 2025

TO: The Honorable C.T. Wilson, Chair
Economic Matters Committee

FROM: Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation, Legislation and Policy

RE: House Bill 107 – Consumer Protection – Automatic Renewals –
SUPPORT WITH AMENDMENTS

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 107, sponsored by Delegate Andrew Pruski, with an amendment discussed below. This bill establishes protections for consumers who enter into a contract with an automatic renewal or a free trial period. House Bill 107 will help to reduce the number of complaints from consumers who are stuck in contracts that renewed automatically without the consumers' knowledge.

Parties should be able to make a fully informed decision as to whether they want to continue to do business with each other rather than be surprised into another term of a contract they no longer wish to be in. Under this bill, businesses selling contracts that make an automatic renewal must include clear notice that the contract will renew if the consumer does not cancel. If the length of the initial contract is for a year or more, notice must be provided between 15 and 45 days before the renewal date. The business must also provide the terms of the renewal as well as the means by which a consumer may easily cancel should they choose. House Bill 107 would conform the methods of cancellation to the Federal Trade Commission's "Click to Cancel" rule so businesses should be able to easily comply the bill's cancellation requirements.

In addition, if companies offer a "free trial" as part of the automatic renewal, they must state the price that will be incurred and any changes that may occur after the free trial period ends. This notice must be provided between 3 and 15 days before the renewal.

House Bill 107 is comparable to laws in effect in California and Maine, so the bill's notice and cancellation provisions should not be substantially different from requirements that retailers are currently following in those states. Last session, Delegate Pruski and Senator Gile held discussions with stakeholders to address concerns they raised about the bill as introduced and House Bill 107 incorporates numerous amendments that address those concerns.

The Division does have concerns, however, that House Bill 107 excludes the private right of action under § 13-408 of the Consumer Protection Act, which means that consumers who are harmed by violations of the bill's requirements can only obtain relief if the Division is able to bring an enforcement action. However, due to limited resources, the Division must weigh which violations of the Consumer Protection Act to prioritize for enforcement, so it is likely that consumers who are stuck paying for renewals of contracts because they weren't given the required notice, or because the business made it exceedingly difficult to cancel the contract, will be left without recourse. Accordingly, the Division requests that HB 107 be amended to allow victims to recover their actual damages by striking "EXCEPT § 13-408 OF THIS ARTICLE" on page 5, line 31 of the bill.

By providing notice in advance and allowing a consumer to make an informed decision, both parties share the benefit of a healthy business relationship. For these reasons, the Consumer Protection Division asks that the Economic Matters Committee return a favorable report on this bill with the amendment discussed.

cc: The Honorable Andrew C. Pruski
Members, Economic Matters Committee

Final_ MD TechNet HB 107_TechNet written_auto rene

Uploaded by: margaret durkin

Position: UNF



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 107 (Pruski) - Consumer Protection - Automatic Renewals - Oppose

Dear Chair Wilson and Members of the Committee,

On behalf of TechNet, I'm writing to provide remarks on HB 107 related to automatic renewals.

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.

Consumers sign up for automatic renewals as convenient, easy to use, and hassle-free options to continue services they value. Conceptually we agree with this bill and our members can work with legislation where the convenience we seek to ensure is tempered with responsible protections. However, we are opposed to HB 107 as currently drafted. It is important to establish clear, workable requirements for paid subscriptions that align with most other states' renewal notification obligations in the absence of a national standard. We agree that consumers should be provided a clear, up-front notice of the key terms and conditions of the service agreement for automatic renewals or continuous service programs.

However, this bill contains various provisions that would primarily require revisions and changes to user interfaces and stipulations on when and how some notifications are made specifically for Maryland consumers. We are asking that the criteria for the cancellations be aligned with numerous other states that have such laws. For example, we request terms such as "in temporal proximity to" and "cost effective,

timely and easy to use". "Cost-effective, timely and easy to use" is the term of art in most autorenewal laws already on the books. Additionally, we are seeking to narrow the scope of the bill by specifying that contracts apply only to personal, family, or household purposes. We want to avoid making potentially conflicting requirements for business-to-business and business-to-government contracts.

Further, HB 107 requires additional provisions regarding cancellations that are read as overly prescriptive as they could interfere with a consumer's ability to receive meaningful warnings about important information critical to their decision making. For example, a consumer needs to know that they may lose information in their account if they cancel, and how to deal with this challenge. They should be able to receive increased incentives from the company if the consumer will continue with the company, or warnings that the rates they have been enjoying as a continuing customer may not be available in the future. We do not want to see Marylanders prevented from receiving this important information when evaluating their cancellation choices.

The goal of a cancellation process is to be "cost effective, timely and easy-to-use" for the consumer. Several other states all use this standard and do not prescribe what the cancellation mechanisms must look like beyond that. Overly prescriptive requirements can have negative, unintended consequences. Prescriptive requirements are burdensome for companies, especially for smaller businesses and those operating in states other than Maryland. Present and future technology provide for alternative means of cancelling a contract and we want to avoid mandating specific practices, especially as the technology evolves and improves. For example, consumers, in some instances, can cancel by voice. The requirements in the bill may be burdensome for some businesses who may struggle to meet all of the requirements.

To further clarify that HB 107 doesn't allow for a private right of action, we're also requesting the following language on page 5, line 31, after "article":

- **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 also requesting that the bill sponsor exempt entities regulated by the Public Service Commission.

Consumers want hassle-free services and businesses providing valuable consumer services want consistency in laws concerning automatic renewals and continuous services. In its current form, HB 107 imposes inconvenience and unnecessary costs on Maryland businesses, while also creating a regime that could be bothersome to consumers. 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

Final_ MD TechNet HB 107_TechNet written_auto rene

Uploaded by: margaret durkin

Position: UNF



TECHNET
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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 107 (Pruski) - Consumer Protection - Automatic Renewals - Oppose

Dear Chair Wilson and Members of the Committee,

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Consumers sign up for automatic renewals as convenient, easy to use, and hassle-free options to continue services they value. Conceptually we agree with this bill and our members can work with legislation where the convenience we seek to ensure is tempered with responsible protections. However, we are opposed to HB 107 as currently drafted. It is important to establish clear, workable requirements for paid subscriptions that align with most other states' renewal notification obligations in the absence of a national standard. We agree that consumers should be provided a clear, up-front notice of the key terms and conditions of the service agreement for automatic renewals or continuous service programs.

However, this bill contains various provisions that would primarily require revisions and changes to user interfaces and stipulations on when and how some notifications are made specifically for Maryland consumers. We are asking that the criteria for the cancellations be aligned with numerous other states that have such laws. For example, we request terms such as "in temporal proximity to" and "cost effective,

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Further, HB 107 requires additional provisions regarding cancellations that are read as overly prescriptive as they could interfere with a consumer's ability to receive meaningful warnings about important information critical to their decision making. For example, a consumer needs to know that they may lose information in their account if they cancel, and how to deal with this challenge. They should be able to receive increased incentives from the company if the consumer will continue with the company, or warnings that the rates they have been enjoying as a continuing customer may not be available in the future. We do not want to see Marylanders prevented from receiving this important information when evaluating their cancellation choices.

The goal of a cancellation process is to be "cost effective, timely and easy-to-use" for the consumer. Several other states all use this standard and do not prescribe what the cancellation mechanisms must look like beyond that. Overly prescriptive requirements can have negative, unintended consequences. Prescriptive requirements are burdensome for companies, especially for smaller businesses and those operating in states other than Maryland. Present and future technology provide for alternative means of cancelling a contract and we want to avoid mandating specific practices, especially as the technology evolves and improves. For example, consumers, in some instances, can cancel by voice. The requirements in the bill may be burdensome for some businesses who may struggle to meet all of the requirements.

To further clarify that HB 107 doesn't allow for a private right of action, we're also requesting the following language on page 5, line 31, after "article":

- **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 also requesting that the bill sponsor exempt entities regulated by the Public Service Commission.

Consumers want hassle-free services and businesses providing valuable consumer services want consistency in laws concerning automatic renewals and continuous services. In its current form, HB 107 imposes inconvenience and unnecessary costs on Maryland businesses, while also creating a regime that could be bothersome to consumers. 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

MDDC UNFAV HB107.pdf

Uploaded by: Rebecca Snyder

Position: UNF



Maryland | Delaware | DC Press Association

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www.mddcpres.com

To: Economic Matters Committee

From: Rebecca Snyder, Executive Director, MDDC Press Association

Date: January 21, 2025

Re: **HB107 - UNFAVORABLE**

The Maryland-Delaware-District of Columbia Press Association represents a diverse membership of news media, from large metro dailies like the Washington Post and the Baltimore Sun, to hometown newspapers such as The Annapolis Capital and the Frederick News Post to publications such as The Daily Record, Baltimore Jewish Times, and online-only publications such as The Baltimore Banner, MarylandMatters.com and Baltimore Brew.

The Press Association has concerns regarding HB107, which creates additional requirements and burdens for organizations that have automatic renewals. Many, if not all, of our members utilize automatic renewal terms for their subscription products. We agree that cancellations of subscriptions should be cost-effective, timely and easy to use for both the subscriber and the organization offering the subscription.

We suggest that the bill be amended in Page 3, Line 5 to include "REASONABLY" before "DELAY, HINDER OR OBSTRUCT THE CONSUMER'S ABILITY TO TERMINATE THE AUTOMATIC RENEWAL." This will ensure that consumers can get timely information about their data or receive additional incentives to continue the subscription. This allows businesses to make a last attempt to keep the subscriber, without unduly hindering the cancellation.

Additionally, we believe that providing the cancellation methods at the start of the subscription through a retainable confirmation message rather than in "VISUAL PROXIMITY TO" would be beneficial to consumers as they would have a record of the information. Several other states have this method in place. The consumer doesn't need cancellation info when signing up, but should be able to easily effectuate it after and with the reminders it is included.

These changes will make the bill stronger for consumers and for businesses and we urge an unfavorable report if these changes are not incorporated.



**We believe a strong news media is
central to a strong and open society.**