

HOUSE BILL 1049

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4lr0577
CF SB 1040

By: **Delegate Pruski**

Introduced and read first time: February 7, 2024

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2024

CHAPTER _____

1 AN ACT concerning

2 **Consumer Protection – Automatic Renewals**

3 FOR the purpose of requiring a person who makes an automatic renewal offer to consumers
4 to allow a consumer to cancel the automatic renewal in a certain manner; requiring
5 automatic renewal offers to be displayed in a certain manner and contain certain
6 information; requiring a person who makes an automatic renewal offer to provide a
7 consumer with notice before the date on which the automatic renewal is scheduled
8 to take effect; prohibiting a person who makes an automatic renewal offer from
9 automatically charging a consumer's credit card; establishing that compliance with
10 certain regulations shall be considered to be compliance with this Act; establishing
11 that a violation of this Act is an unfair, abusive, or deceptive trade practice; and
12 generally relating to automatic renewals.

13 BY repealing and reenacting, with amendments,
14 Article – Commercial Law
15 Section 13–301(14)(xl)
16 Annotated Code of Maryland
17 (2013 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Commercial Law
20 Section 13–301(14)(xli)
21 Annotated Code of Maryland
22 (2013 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Commercial Law
3 Section 13–301(14)(xlii) and 14–1328
4 Annotated Code of Maryland
5 (2013 Replacement Volume and 2023 Supplement)

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

8 **Article – Commercial Law**

9 13–301.

10 Unfair, abusive, or deceptive trade practices include any:

11 (14) Violation of a provision of:

12 (xl) Title 14, Subtitle 13 of the Public Safety Article; [or]

13 (xli) Title 14, Subtitle 45 of this article; or

14 **(XLII) SECTION 14–1328 OF THIS ARTICLE; OR**

15 **14–1328.**

16 **(A) IN THIS SECTION, “AUTOMATIC RENEWAL” MEANS ANY CONTRACT,**
17 **PLAN, OR AGREEMENT BETWEEN A CONSUMER AND A SELLER IN WHICH A PAID**
18 **SUBSCRIPTION OR PURCHASING AGREEMENT IS AUTOMATICALLY RENEWED AT THE**
19 **END OF A DEFINITE TERM OF MORE THAN 1 MONTH FOR A SUBSEQUENT TERM.**

20 **(B) (1) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A**
21 **PERSON MAY NOT MAKE AN AUTOMATIC RENEWAL OFFER TO A CONSUMER UNLESS**
22 **THE PERSON:**

23 **(i) PRESENTS THE CONSUMER WITH THE TERMS OF THE**
24 **AUTOMATIC RENEWAL OFFER IN A CLEAR AND CONSPICUOUS MANNER BEFORE THE**
25 **SUBSCRIPTION OR PURCHASING AGREEMENT IS FULFILLED AND IN VISUAL**
26 **PROXIMITY TO, OR IN THE CASE OF AN OFFER CONVEYED ORALLY, AT THE SAME**
27 **TIME AS, THE REQUEST FOR CONSENT TO THE OFFER, INCLUDING:**

28 **1. THE PRICE THAT WILL BE CHARGED AFTER THE**
29 **INITIAL TERM ENDS; OR**

30 **2. THE MANNER IN WHICH THE SUBSCRIPTION OR**
31 **PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE INITIAL TERM;**

1 (II) PRESENTS THE CONSUMER WITH AN EASILY ACCESSIBLE
2 DISCLOSURE OF THE METHODS THAT THE CONSUMER MAY USE TO CANCEL THE
3 AUTOMATIC RENEWAL; AND

4 (III) ALLOWS THE CONSUMER TO TERMINATE THE OFFER IN A
5 MANNER THAT DOES NOT DELAY, HINDER, OR OBSTRUCT THE CONSUMER'S ABILITY
6 TO TERMINATE THE AUTOMATIC RENEWAL.

7 (2) IF THE OFFER ALSO INCLUDES A FREE GIFT OR TRIAL, THE OFFER
8 SHALL INCLUDE A CLEAR AND CONSPICUOUS EXPLANATION OF THE PRICE THAT
9 WILL BE CHARGED AFTER THE TRIAL ENDS AND THE MANNER IN WHICH THE
10 SUBSCRIPTION OR PURCHASING AGREEMENT PRICING WILL CHANGE AT THE END
11 OF THE TRIAL.

12 (3) A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER ONLINE
13 SHALL ALLOW A CONSUMER WHO ACCEPTS THE OFFER ONLINE TO TERMINATE THE
14 AUTOMATIC RENEWAL BY:

15 (I) PROVIDING A COST-EFFECTIVE AND WIDELY AVAILABLE
16 MECHANISM FOR CANCELING THE AUTOMATIC RENEWAL, INCLUDING:

- 17 1. A TOLL-FREE TELEPHONE NUMBER;
- 18 2. AN E-MAIL ADDRESS; OR
- 19 3. A POSTAL ADDRESS, IF THE PERSON BILLS THE
20 CONSUMER AT THE CONSUMER'S POSTAL ADDRESS; OR

21 (II) ANY MEANS OF COMMUNICATING INFORMATION OVER A
22 COMPUTER NETWORK, INCLUDING:

23 1. A PROMINENTLY LOCATED DIRECT LINK OR BUTTON
24 WHICH MAY BE LOCATED WITHIN EITHER A CUSTOMER ACCOUNT OR PROFILE, OR
25 WITHIN EITHER DEVICE OR USER SETTINGS; OR

26 2. BY AN IMMEDIATELY ACCESSIBLE TERMINATION
27 E-MAIL FORMATTED AND PROVIDED BY THE BUSINESS OR PERSON THAT MADE THE
28 AUTOMATIC RENEWAL OFFER THAT A CONSUMER CAN SEND WITHOUT ADDITIONAL
29 INFORMATION.

30 (C) (1) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A
31 PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER OR AN OFFER THAT
32 INCLUDES A FREE GIFT OR TRIAL SHALL INCLUDE CLEAR AND CONSPICUOUS

1 NOTICE, BEFORE THE END OF THE AUTOMATIC RENEWAL OR FREE TRIAL, OF THE
2 FOLLOWING:

3 (I) THAT THE OFFER WILL AUTOMATICALLY RENEW UNLESS
4 THE CONSUMER CANCELS;

5 (II) THE DURATION AND ANY ADDITIONAL TERMS OF THE
6 RENEWAL PERIOD, INCLUDING:

7 1. THE PRICE THAT WILL BE CHARGED AFTER THE
8 RENEWAL OR THE FREE TRIAL ENDS; OR

9 2. THE MANNER IN WHICH THE SUBSCRIPTION OR
10 PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE TRIAL;

11 (III) VARIOUS METHODS BY WHICH A CONSUMER MAY CANCEL
12 THE AUTOMATIC RENEWAL OR CONTINUOUS SERVICE;

13 (IV) IF THE NOTICE IS SENT ELECTRONICALLY, A LINK THAT
14 DIRECTS THE CONSUMER TO THE CANCELLATION PROCESS OR ANOTHER
15 REASONABLY ACCESSIBLE ELECTRONIC METHOD THAT DIRECTS THE CONSUMER TO
16 THE CANCELLATION PROCESS IF NO LINK EXISTS; AND

17 (V) CONTACT INFORMATION FOR THE PERSON OR BUSINESS
18 THAT MADE THE AUTOMATIC RENEWAL OFFER.

19 (2) IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR
20 TRIAL, THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL
21 BE PROVIDED NOT LESS THAN 3 DAYS AND NOT MORE THAN 21 DAYS BEFORE THE
22 DATE ON WHICH THE AUTOMATIC RENEWAL IS SCHEDULED TO TAKE EFFECT.

23 (3) IF THE CONSUMER HAS ACCEPTED AN AUTOMATIC RENEWAL
24 OFFER WITH AN INITIAL TERM OF AT LEAST 1 YEAR, THE NOTICE REQUIRED UNDER
25 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED NOT LESS THAN 15 DAYS
26 AND NOT MORE THAN 45 DAYS BEFORE THE DATE ON WHICH THE AUTOMATIC
27 RENEWAL IS SCHEDULED TO TAKE EFFECT.

28 (D) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A
29 PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER MAY NOT AUTOMATICALLY
30 CHARGE THE CONSUMER'S CREDIT CARD UNLESS CLEAR AND CONSPICUOUS NOTICE
31 IS PROVIDED.

32 (E) A PERSON THAT COMPLIES WITH THE REQUIREMENTS FOR CONTRACT
33 RENEWAL PROCEDURES ESTABLISHED BY THE STATE OR FEDERAL REGULATORY

1 AGENCY THAT IS RESPONSIBLE FOR REGULATING THE PERSON SHALL BE DEEMED
2 TO BE IN COMPLIANCE WITH THIS SECTION.

3 (F) A VIOLATION OF THIS SECTION IS:

4 (1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN
5 THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

6 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS
7 CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT § 13-408 OF THIS ARTICLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.