Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 36   (Delegate Pendergrass. *et al.*)

Economic Matters

Consumer Protection - Marine Repair Facilities

This bill requires a marine repair facility to provide a written statement containing an estimate of the repair costs, an estimated completion date, and an estimate of any surcharge for repairs on marine vessels.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints as a result of this bill, any additional workload would be handled with existing budgeted resources. Any cost recovery by the Attorney General resulting from actions brought under the unfair and deceptive trade practices provision cannot be quantified beforehand.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary: This bill applies to repairs costing more than $50 on marine vessels weighing 200 tons or less in total volumetric measurement. On a customer's request, a marine repair facility must provide a written statement containing an estimate of the repair costs, an estimated completion date, and an estimate of any surcharge. A marine repair facility may not charge a customer an amount exceeding the written estimate by more than 20% without the costumer's consent. Before beginning any repair work on a vessel, a marine repair facility is required to inform a customer that the customer may request a written estimate and that the customer may not be charged more than 20% in excess of the estimate

without the costumer's consent.

A marine repair facility is required to prepare an invoice describing the work done by the facility and all parts supplied by the facility. The invoice must contain any express warranties. A marine facility may obtain either written or oral permission for additional repairs but may not charge a customer for repairs not authorized or requested by the customer.

The bill provides that a violation is an unfair or deceptive trade practice under the Maryland Consumer Protection Act but does not preclude a person from filing an action for damages against a marine repair facility.

Current Law: Automobile repair shops must provide consumers with a written estimate for repairs, completion date, and any surcharge. An automobile repair facility may not charge a customer any amount exceeding the written estimate by more than 10%.

Background: The Consumer Protection Division of the Office of the Attorney General oversees the control and regulation of unfair and deceptive trade practices. The division enforces civil remedies through litigation, administrative hearings, complaint mediation, and arbitration. The division handles approximately 16,000 complaints annually with a staff of 55.

Small Business Effect: It is assumed that most marine repair facilities are small businesses. The bill requires that an estimate be provided before repairs begin. Watercraft vary widely in type, systems, and complexity. Many do not have standardized equipment. Larger vessels have multiple systems, including the hull, engine, drive train, rigging, plumbing, electrical distribution, cabinetry, sanitation, and load-handling gear. Often, more than one system will be involved in a repair, which would require varied experience and skills to provide an accurate estimate. To the extent that small business marine repair facilities need to hire additional workers or subcontract to specialists to perform estimates, costs for small business could increase. This additional cost would be passed on to consumers. For discretionary repairs, owners of larger vessels may go out of State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division),

Marine Trades Association of Maryland, Department of Legislative Services

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