Department of Legislative Services

Maryland General Assembly 2002 Session

FISCAL NOTE

Revised

Senate Bill 578 Finance (Senators Bromwell and Della)

Economic Matters

Maryland Household Goods Movers Act

This bill prohibits a household goods mover from enforcing or threatening to enforce a carrier's lien against a consumer's household goods when providing household goods moving services for a move within the State. The bill also prohibits a household goods mover from refusing to deliver a consumer's household goods for a move within the State. Violation of the bill is an unfair and deceptive trade practice under the Maryland Consumer Protection Act. Violators may also be subject to any other civil or criminal action provided by law.

The bill requires the Consumer Protection Division within the Office of the Attorney General to report, by December 1, 2003, to the Senate Finance Committee and the House Economic Maters Committee on: (1) the need for a registration process for household goods movers; (2) the number of complaints received under the bill; and (3) any enforcement action taken under the bill.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing 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: Minimal.

Analysis

Current Law: A carrier of goods has a lien on goods covered by a bill of lading for charges subsequent to the date of the carrier's receipt of the goods for: (1) storage or transportation of the goods; and (2) expenses necessary for the preservation of the goods or incident to their transportation. The holder of the lien may retain possession of the goods until the lien is paid and may sell the goods to satisfy the lien. After notifying all persons known to claim an interest in the goods, such a sale may be either public or private and may be in bloc or in parcels, at a commercially reasonable time and place, and on commercially reasonable terms.

Background: The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims. The division may attempt conciliation, issue cease and desist orders, or seek action in court, including an injunction, to enforce the Maryland Consumer Protection Act.

Under federal law and regulations, an interstate mover may give either a non-binding or a binding written estimate of the cost of a move. An interstate mover may only charge for a binding estimate. Non-binding estimates must be provided free of charge.

An interstate mover may not charge more than the quoted price of a binding estimate, unless additional services are provided. The additional services need not be within the contemplation of the parties at the time of the agreement. A binding estimate must be made available to the shipper before the move and must specify the services to be provided. Payment must be made at the time of delivery. If the depositor is unable to pay, the mover may place the goods in storage until the charges are paid. If a non-binding estimate is given, the interstate mover may not require the depositor to pay more than 10% more than the original estimate at the time of delivery. The depositor then has at least 30 days after delivery to pay any remaining charges. The federal regulations do not apply to intrastate moves.

Additional Information

Prior Introductions: None.

Cross File: HB 794 (Delegate Love, *et al.*) – Economic Matters.

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

Fiscal Note History:	First Reader - February 15, 2002
ncs/jr	Revised - Senate Third Reader - April 1, 2002

Analysis by: Ryan Wilson

Direct Inquiries to: John Rixey, Coordinating Analyst (410) 946-5510 (301) 970-5510