

Department of Legislative Services  
Maryland General Assembly  
2003 Session

FISCAL AND POLICY NOTE

House Bill 147  
Economic Matters

(Delegate Cane, *et al.*)

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Commercial Law - Sending Blank Checks Through the Mail - Prohibition

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This bill prohibits a person from sending a blank check or other payment device through the mail without the prior request or application of the recipient. Violation of this provision is an unfair or deceptive trade practice under the Maryland Consumer Protection Act. The bill also specifies that, for purposes of the limit on liability applicable to unrequested credit cards, "credit card" includes any card, plate, coupon, or other single credit device that may be used to obtain credit.

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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.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Except for a renewal or replacement credit card originally applied for or accepted by the cardholder, if a credit card or card of identification for credit is issued to a person without the person's prior request or application, the card is not considered accepted until the person signifies acceptance in writing or uses the card to obtain credit. Until an unrequested card is accepted, the issuer of the card: (1) assumes the risk of its loss, theft, or unauthorized use; and (2) is barred from any recovery against the person to

whom the card is issued for any damages caused by the loss, theft, or unauthorized use. No provision specifically prohibits or restricts the sending of a blank check or other device through the mail.

Under the Maryland Consumer Protection Act, a person may not engage in any unfair or deceptive trade practice in: (1) the sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer service; or (2) the offer for sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer service.

**Background:** The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair or deceptive trade practice claims under the Maryland Consumer Protection Act. 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 the federal Fair Credit Reporting Act, the liability of a cardholder for unauthorized use of a credit card is limited to the monetary value of what was obtained by the unauthorized use before notification to the card issuer, up to \$50. A cardholder is not liable for unauthorized use of a credit card that the consumer has not accepted. Under the regulations to the federal Act, a credit card is any card, plate, coupon book, or other single credit device that may be used to obtain credit.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2003  
ncs/jr

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