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By: **Delegates Moe, Conroy, Hubbard, Love, and Vaughn**

Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Hearing Aids - Cancellation**

3 FOR the purpose of altering the amounts that may be deducted from a refund paid to  
4 a purchaser after cancellation of a hearing aid purchase; requiring that certain  
5 charges may be deducted from a refund only if the charges are identified in a  
6 certain manner as being nonrefundable; altering the contents of certain notices  
7 that must be provided in connection with the sale and delivery of a hearing aid;  
8 and generally relating to hearing aid sales and cancellations.

9 BY repealing and reenacting, with amendments,  
10 Article - Commercial Law  
11 Section 14-2503 and 14-2504(7)  
12 Annotated Code of Maryland  
13 (2000 Replacement Volume and 2004 Supplement)

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

16 **Article - Commercial Law**

17 14-2503.

18 (a) Within 30 days of the date of delivery, a purchaser of a hearing aid may  
19 cancel the purchase for any reason, by mailing or delivering a notice of cancellation to  
20 the seller of the hearing aid at the address specified in the contract.

21 (b) (1) Cancellation of the purchase entitles the purchaser to a refund of the  
22 entire consideration paid, less [10 percent for services] AMOUNTS IDENTIFIED AS  
23 NONREFUNDABLE IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

24 [(2) If the actual documented expenses incurred by the seller for the  
25 fitting, delivery, and return of the hearing aid to the manufacturer are in excess of 10  
26 percent of the purchase price, the seller may retain an amount equal to these  
27 expenses only if:

1 (i) The amount is conspicuously identified as "nonrefundable" on  
2 the contract or bill of sale for the hearing aid; and

3 (ii) The total amount retained does not exceed 20 percent of the  
4 purchase price of the hearing aid.]

5 (2) THE FOLLOWING CHARGES MAY BE DEDUCTED IN THEIR ENTIRETY  
6 FROM A REFUND TO A PURCHASE UNDER THIS SUBSECTION, IF THE CHARGES ARE  
7 CONSPICUOUSLY IDENTIFIED AS NONREFUNDABLE ON THE CONTRACT OR BILL OF  
8 SALE FOR THE HEARING AID:

9 (I) PROFESSIONAL AND DIAGNOSTIC FEES; AND

10 (II) THE COST OF ACCESSORIES AND CUSTOM-MADE ITEMS.

11 (3) The seller shall deliver the refund to the purchaser if:

12 (i) The purchase is made at a place other than the place of business  
13 of the seller, within 30 days after the receipt of the notice of cancellation; and

14 (ii) The purchase agreement is made at the place of business of the  
15 seller, within 30 days after the return of the hearing aid.

16 (4) If a hearing aid is sold in a hospital or related institution, the seller  
17 must initiate a refund request with the accounting department of the selling hospital  
18 or related institution within 10 days after receiving the notice of cancellation from the  
19 purchaser.

20 (c) After cancellation of the purchase, if the hearing aid has been delivered to  
21 the purchaser, the purchaser must make the hearing aid available to the seller in  
22 substantially as good condition as when received.

23 (d) The right of cancellation may not be waived or otherwise surrendered.

24 (e) (1) The contract or bill of sale for the purchase of a hearing aid shall  
25 contain the following statement:

26 "You may cancel this purchase for any reason, at any time within 30 days after  
27 the date of delivery of the hearing aid. To cover the costs of dispensing the hearing  
28 aid, the seller may withhold from the refund [10 percent of the purchase price or the  
29 seller's actual costs up to 20 percent of the purchase price] THE AMOUNT OF ALL  
30 PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND  
31 CUSTOM-MADE ITEMS."

32 (2) The statement required under this subsection shall:

33 (i) Be in bold and conspicuous type of at least 10-point type; and

34 (ii) Appear on the same page as and above the space for the  
35 purchaser's signature.

1 (f) (1) The seller shall provide to the purchaser at the time of delivery of the  
2 hearing aid a notice of cancellation containing the following information:

3 "Notice of Cancellation

4 You may cancel this purchase of a hearing aid within 30 days from the date of  
5 delivery of the hearing aid.

6 If you decide to cancel this contract:

7 1. You must provide notice of the cancellation in writing, within 30 days of  
8 the date of delivery of the hearing aid, to (the seller) at address of seller; and

9 2. You must make the hearing aid available to the seller, in substantially as  
10 good condition as when you received it.

11 The seller may not attempt to obtain a waiver of your rights to cancel."

12 (2) If the hearing aid is sold at the seller's place of business and the  
13 seller is not located within a hospital or other related institution, the notice shall  
14 contain the following statement:

15 "Cancellation entitles you to a refund of all money you paid, less [(choose either  
16 10 percent or the actual cost to the seller as provided in this section)] THE AMOUNT  
17 OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND  
18 CUSTOM-MADE ITEMS, within 30 days after you return the hearing aid to the seller."

19 (3) If the hearing aid is sold by a seller affiliated with a hospital or other  
20 related institution, the notice shall contain the following statement:

21 "Cancellation entitles you to a refund of all money you paid, less [(choose either  
22 10 percent or the actual cost to the seller as provided in this section)] THE AMOUNT  
23 OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND  
24 CUSTOM-MADE ITEMS. The seller must initiate a request for the refund from the  
25 selling institution's accounting department within 10 days after you return the  
26 hearing aid to the seller."

27 (4) If the hearing aid is sold at a place other than the seller's place of  
28 business the notice shall contain the following statement:

29 "Cancellation entitles you to a refund of all money you paid less [(choose either  
30 10 percent or the actual cost to the seller as provided in this section)] THE AMOUNT  
31 OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND  
32 CUSTOM-MADE ITEMS, within 30 days after the seller receives your notice of  
33 cancellation."

34 (5) The notice of cancellation shall be in 10 point type.

35 (g) At the time of delivery, the seller shall complete the notice of cancellation  
36 by including the date of delivery and the date by which cancellation must be made.

1 14-2504.

2 It is a deceptive trade practice for a seller of hearing aids to:

3 (7) Fail to refund all payments, less [10 percent or] the amount allowed  
4 under § 14-2503(b)(2) of this subtitle, made under the purchase agreement within 30  
5 days after:

6 (i) Receipt of the notice of cancellation if the purchaser's  
7 agreement to purchase is made at a place other than the place of business of the  
8 seller; or

9 (ii) Return of the hearing aid, if the purchaser's agreement to  
10 purchase is made at the place of business of the seller.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2005.