
By: **Senators Hafer and Conway**

Introduced and read first time: February 4, 2005

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2005

CHAPTER _____

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~~

1 ~~NONREFUNDABLE IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION AND~~
 2 ~~PAYMENTS MADE FOR DIAGNOSTIC TESTS IF BILLED SEPARATELY.~~

3 {(2) If the actual documented expenses incurred by the seller for the
 4 fitting, delivery, and return of the hearing aid to the manufacturer are in excess of 10
 5 percent of the purchase price, the seller may retain an amount equal to these
 6 expenses only if:

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

9 (ii) The total amount retained does not exceed 20 percent of the
 10 purchase price of the hearing aid.}

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

15 ~~(I) PROFESSIONAL AND DIAGNOSTIC FEES; AND~~

16 ~~(II) THE COST OF ACCESSORIES AND CUSTOM MADE ITEMS.~~

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

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

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

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

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

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

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

32 "You may cancel this purchase for any reason, at any time within 30 days after
 33 the date of delivery of the hearing aid. To cover the costs of dispensing the hearing
 34 aid, the seller may withhold from the refund {10 percent of the purchase price or the
 35 seller's actual costs up to 20 percent of the purchase price} ~~THE AMOUNT OF ALL~~

1 ~~PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND~~
 2 ~~CUSTOM MADE ITEMS."~~

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

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

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

7 (f) (1) The seller shall provide to the purchaser at the time of delivery of the
 8 hearing aid a notice of cancellation ~~containing~~ THAT STATES THE TOTAL
 9 REFUNDABLE AMOUNT AND CONTAINS the following information:

10 "Notice of Cancellation

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

13 If you decide to cancel this contract:

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

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

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

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

22 "Cancellation entitles you to a refund of all money you paid, less {(choose either
 23 10 percent or the actual cost to the seller as provided in this section)} ~~THE AMOUNT~~
 24 ~~OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND~~
 25 ~~CUSTOM MADE ITEMS~~, within 30 days after you return the hearing aid to the seller."

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

28 "Cancellation entitles you to a refund of all money you paid, less {(choose either
 29 10 percent or the actual cost to the seller as provided in this section)} ~~THE AMOUNT~~
 30 ~~OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND~~
 31 ~~CUSTOM MADE ITEMS~~. The seller must initiate a request for the refund from the
 32 selling institution's accounting department within 10 days after you return the
 33 hearing aid to the seller."

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

1 "Cancellation entitles you to a refund of all money you paid less {(choose either
2 10 percent or the actual cost to the seller as provided in this section)} ~~THE AMOUNT~~
3 ~~OF ALL PROFESSIONAL AND DIAGNOSTIC FEES AND THE COST OF ACCESSORIES AND~~
4 ~~CUSTOM MADE ITEMS~~, within 30 days after the seller receives your notice of
5 cancellation."

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

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

9 14-2504.

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

11 (7) Fail to refund all payments, less {10 percent or} the amount allowed
12 under § 14-2503(b)(2) of this subtitle AND PAYMENTS MADE FOR DIAGNOSTIC TESTS
13 IF BILLED SEPARATELY, made under the purchase agreement within 30 days after:

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

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

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