

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 576
Finance

(Senators Hafer and Conway)

Economic Matters

Consumer Protection - Hearing Aids - Cancellation

This bill requires the seller of a hearing aid to bill any fee for diagnostic tests separately from charges for the purchase and fitting of a hearing aid. The bill excludes diagnostic tests from a refund for return of a hearing aid on cancellation of its purchase. The notice of cancellation that the hearing aid dealer must give a consumer at time of delivery must include the total amount that is refundable to the consumer on cancellation of the purchase. The bill also makes conforming changes to the unfair trade practice provision used in enforcement.

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: Minimal.

Analysis

Current Law: Within 30 days after delivery, a purchaser of a hearing aid may cancel the purchase for any reason. Upon cancellation, the purchaser is entitled to a refund of the entire consideration paid, minus 10% for services. However, if the seller's actual documented expenses for fitting, delivery, and return of the device to the manufacturer exceed 10% of the purchase price, the seller may retain an amount equal to these expenses if: (1) the amount is conspicuously identified as "nonrefundable" on the

contract or bill of sale; and (2) the total amount retained does not exceed 20% of the purchase price.

Additional Information

Prior Introductions: None.

Cross File: HB 1043 (Delegate Moe, *et al.*) – Economic Matters.

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

Fiscal Note History: First Reader - March 7, 2005
mll/jr Revised - Senate Third Reader - April 1, 2005
Revised - Enrolled Bill - May 3, 2005

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