

HOUSE BILL 574

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71r2130

By: **Delegate Conaway**

Introduced and read first time: February 7, 2007

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Free Trial Period for Consumer Goods and Services**
3 **Sold Over the Internet – Charges to Credit Card**

4 FOR the purpose of prohibiting a person that sells consumer goods or consumer
5 services over the Internet and provides a trial period during which a consumer
6 may use the consumer goods or consumer services for free from automatically
7 charging the consumer's credit card for the consumer goods or consumer
8 services at the expiration of the free trial period; requiring the person to require
9 the consumer to resubmit the consumer's credit card information at the
10 expiration of the free trial period before charging the consumer's credit card for
11 the continued use of the consumer goods or consumer services; providing that a
12 violation of this Act is an unfair or deceptive trade practice within the meaning
13 of the Maryland Consumer Protection Act and is subject certain enforcement
14 and penalty provisions; defining certain terms; and generally relating to free
15 trial periods for consumer goods or consumer services sold over the Internet and
16 charges to a consumer's credit card.

17 BY adding to

18 Article – Commercial Law

19 Section 14–1322

20 Annotated Code of Maryland

21 (2005 Replacement Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Commercial Law**14-1322.**

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CONSUMER” HAS THE MEANING STATED IN § 13-101 OF THIS ARTICLE.

(3) “CONSUMER GOODS” HAS THE MEANING STATED IN § 13-101 OF THIS ARTICLE.

(4) “CONSUMER SERVICES” HAS THE MEANING STATED IN § 13-101 OF THIS ARTICLE.

(B) A PERSON THAT SELLS CONSUMER GOODS OR CONSUMER SERVICES OVER THE INTERNET AND PROVIDES A TRIAL PERIOD DURING WHICH A CONSUMER MAY USE THE CONSUMER GOODS OR CONSUMER SERVICES FOR FREE:

(1) MAY NOT AUTOMATICALLY CHARGE THE CONSUMER’S CREDIT CARD FOR THE CONSUMER GOODS OR CONSUMER SERVICES AT THE EXPIRATION OF THE FREE TRIAL PERIOD; AND

(2) SHALL REQUIRE THE CONSUMER TO RESUBMIT THE CONSUMER’S CREDIT CARD INFORMATION BEFORE CHARGING THE CONSUMER’S CREDIT CARD FOR THE CONTINUED USE OF THE CONSUMER GOODS OR CONSUMER SERVICES.

(C) A VIOLATION OF THIS SECTION IS:

(1) AN UNFAIR OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS ARTICLE; AND

(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE 13 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.