

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1073 (Delegate Conaway)
Economic Matters

Consumer Protection - Limit on Quantity of Consumer Goods Purchased -
Notice

This bill requires a merchant who has a policy limiting the quantity of goods that a consumer may purchase at one time to display a conspicuous notice describing the policy at the entrance to the merchant's establishment. The bill's provisions do not apply to consumer goods offered at a special sale price. Violation of the bill's provisions is an unfair or deceptive trade practice under the Maryland Consumer Protection Act, subject to MCPA's civil penalties.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to the bill's imposition of existing penalty provisions. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

Local Effect: Potential minimal increase in revenues due to the bill's imposition of existing penalty provisions.

Small Business Effect: Potential minimal.

Analysis

Current Law: Current State statutory law is silent on the duties of merchants who limit the quantity of goods that a consumer may purchase at one time.

The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims under the Maryland Consumer Protection Act. Upon receiving a complaint, the division must determine whether there are “reasonable grounds” to believe that a violation of MCPA has occurred. Generally, if the division does find reasonable grounds that a violation has occurred, the division must seek to conciliate the complaint. The division may also issue cease and desist orders, or seek action in court, including an injunction or civil damages, to enforce the Act. Violators of MCPA are subject to • civil penalties of \$1,000 for the first violation and \$5,000 for subsequent violations; and • criminal sanction as a misdemeanor, with a fine of up to \$1,000 and/or up to one year’s imprisonment.

Background: Other states enforce similar disclosure requirements for merchants who limit the quantity of goods that may be purchased by consumers. For example, California law states that, unless an advertisement mentions a limit on the quantity of the item that will be sold to a single customer, a merchant cannot refuse to sell advertised items to customers in any quantity that the merchant has in stock, except for reseller customers.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/ljm

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