

HOUSE BILL 1074

I3, I2
HB 574/07 – ECM

9lr2652

By: **Delegate Conaway**

Introduced and read first time: February 13, 2009

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 to 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 2008 Supplement)

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

24 **Article – Commercial Law**

25 **14–1322.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

7 (4) “CONSUMER SERVICES” HAS THE MEANING STATED IN §
8 13-101 OF THIS ARTICLE.

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

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

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

20 (C) A VIOLATION OF THIS SECTION IS:

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

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

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2009.