

SENATE BILL 726

I3, E1

2lr1755

By: **Senator Muse**

Introduced and read first time: February 3, 2012

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Consumer Protection – Maryland Consumer Protection Act – Scope and**
3 **Penalties**

4 FOR the purpose of altering the definition of “consumer” under the Maryland
5 Consumer Protection Act to include a nonprofit organization that ~~contracts to~~
6 ~~rent or lease a thing or good of value that will provide consumer purchases,~~
7 rents, or leases goods or ~~consumer~~ services for the benefit of the members of the
8 nonprofit organization; establishing that an unfair or deceptive trade practice
9 includes an act or omission relating to ~~a certain contract with~~ the purchase,
10 rental, or lease by a nonprofit organization of certain goods or services; altering
11 ~~certain criminal penalties for a violation of the Maryland Consumer Protection~~
12 ~~Act;~~ making this Act subject to a certain contingency; requiring the Division of
13 Consumer Protection of the Office of the Attorney General to give a certain
14 notice to the Department of Legislative Services under certain circumstances;
15 providing that this Act shall be null and void and of no force and effect under
16 certain circumstances; and generally relating to the scope of the Maryland
17 Consumer Protection Act and penalties for violations of that Act.

18 BY repealing and reenacting, without amendments,
19 Article – Commercial Law
20 Section 13–101(a)
21 Annotated Code of Maryland
22 (2005 Replacement Volume and 2011 Supplement)

23 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Commercial Law
 2 Section 13–101(c), and 13–301(14)(xxviii) and (15), ~~and 13–411~~
 3 Annotated Code of Maryland
 4 (2005 Replacement Volume and 2011 Supplement)

5 BY adding to
 6 Article – Commercial Law
 7 Section 13–301(16)
 8 Annotated Code of Maryland
 9 (2005 Replacement Volume and 2011 Supplement)

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

12 **Article – Commercial Law**

13 13–101.

14 (a) In this title the following words have the meanings indicated.

15 (c) (1) “Consumer” means an actual or prospective purchaser, lessee, or
 16 recipient of consumer goods, consumer services, consumer realty, or consumer credit.

17 (2) “Consumer” includes:

18 (i) A co-obligor or surety for a consumer;

19 (ii) A licensee or recipient of computer information or computer
 20 programs under a consumer contract as defined in § 22–102 of this article; [or]

21 (iii) An individual who sells or offers for sale to a merchant
 22 consumer goods or consumer realty that the individual acquired primarily for
 23 personal, household, family, or agricultural purposes; **OR**

24 **(IV) A NONPROFIT ORGANIZATION THAT ~~CONTRACTS TO~~**
 25 **~~RENT OR LEASE A THING OR GOOD OF VALUE THAT WILL PROVIDE CONSUMER~~**
 26 **PURCHASES, RENTS, OR LEASES GOODS OR CONSUMER SERVICES FOR THE**
 27 **BENEFIT OF THE MEMBERS OF THE NONPROFIT ORGANIZATION.**

28 13–301.

29 Unfair or deceptive trade practices include any:

30 (14) Violation of a provision of:

1 (xxviii) Title 12, Subtitle 10 of the Financial Institutions
2 Article; [or]

3 (15) Act or omission that relates to a residential building and that is
4 chargeable as a misdemeanor under or otherwise violates a provision of the Energy
5 Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article;
6 **OR**

7 **(16) ACT OR OMISSION THAT RELATES TO ~~A CONTRACT WITH A~~**
8 **~~NONPROFIT ORGANIZATION TO PROVIDE A LEASED OR RENTED THING OR GOOD~~**
9 **~~OF VALUE THAT WILL PROVIDE~~ THE PURCHASE, RENTAL, OR LEASE BY A**
10 **NONPROFIT ORGANIZATION OF CONSUMER GOODS OR CONSUMER SERVICES**
11 **FOR THE BENEFIT OF THE MEMBERS OF THE NONPROFIT ORGANIZATION.**

12 ~~13-411.~~

13 ~~(a) Except as provided in subsection (b) of this section, any person who~~
14 ~~violates any provision of this title is guilty of a misdemeanor and, unless another~~
15 ~~criminal penalty is specifically provided elsewhere, on conviction is subject to a fine~~
16 ~~not exceeding [\$1,000] **\$3,000** or imprisonment not exceeding [one year] **3 YEARS** or~~
17 ~~both, in addition to any civil penalties.~~

18 ~~(b) A person may not be imprisoned for violation of any provision of an order~~
19 ~~of the Attorney General or an agreement of a party relating to unit pricing under Title~~
20 ~~14, Subtitle 1 of this article.~~

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

22 (a) This Act is contingent on the appropriation of funds in the State budget
23 for the Division of Consumer Protection of the Office of the Attorney General in an
24 amount the Division determines is sufficient to enable the Division to perform any
25 additional functions resulting from changes made to the Maryland Consumer
26 Protection Act under Section 1 of this Act.

27 (b) The Division of Consumer Protection shall notify the Department of
28 Legislative Services within 5 days after the Division makes the determination
29 described in subsection (a) of this section.

30 (c) If notice of the Division of Consumer Protection's determination is not
31 received by the Department of Legislative Services on or before June 30, 2017, this Act
32 shall be null and void without the necessity of further action by the General Assembly.

33 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of
34 this Act, this Act shall take effect October 1, 2012.