

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 866
Finance

(Senator Feldman, *et al.*)

Economic Matters

Commercial Law - Maryland Uniform Electronic Transactions Act - Revisions

This bill alters the Maryland Uniform Electronic Transactions Act (MUETA) to establish that a consumer is deemed not to have agreed to enter into a “consumer contract” by electronic means (or in electronic form) unless the consumer has been given a reasonable opportunity to review a copy of the complete contract before signing. The copy must be (1) clear and readable and (2) in an electronic or written form. The bill defines “consumer contract” as a contract for consumer credit, debts, goods, realty, or services. The bill’s requirements do not apply to a consumer contract for a banking product or service that is subject to regulatory oversight by a state or federal financial regulatory authority.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not materially affect local finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: Under Title 13, Subtitle 1 of the Commercial Law Article, a “consumer” means an actual or prospective purchaser, lessee, or recipient of consumer goods, services, realty, or credit.

Maryland Uniform Electronic Transactions Act

MUETA gives legal effect to an electronic record or signature provided the procedures in the Act are adhered to. Under MUETA, a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation, and if a law requires a record to be in writing, an electronic record satisfies the law. Similarly, if a law requires a signature, an electronic signature satisfies the law.

MUETA applies only to transactions in which each party has agreed to conduct transactions by electronic means. An agreement to conduct a transaction electronically may not be inferred solely from the fact that a party has used electronic means to pay an account or register a purchase warranty. Also, a party that agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General; Judiciary (Administrative Office of the Courts); Department of Legislative Services

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