

Department of Legislative Services  
2018 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 648  
Economic Matters

(Delegate A. Miller, *et al.*)

---

Maryland Consumers' Rights

---

This bill authorizes a court to award actual or statutory damages of \$1,000 (whichever is greater) for a person who is injured by a violation of the Maryland Consumer Protection Act (MCPA). In addition, the court may award treble damages if a defendant willfully or knowingly violates MCPA.

---

Fiscal Summary

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

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

**Small Business Effect:** Potential minimal.

---

Analysis

**Current Law/Background:** An unfair or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$1,000 for the first violation and up to \$5,000 for each subsequent violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

Under current law, a consumer may bring an action to recover damages for injury or loss. Thus, in addition to any damages recovered by the consumer, the State may impose criminal penalties and recover additional civil penalties.

---

### **Additional Information**

**Prior Introductions:** A similar bill, HB 1150 of 2010, received a hearing in the House Economic Matters Committee, but no further action was taken. Another similar bill, HB 797 of 2009, received a hearing in the House Economic Matters Committee, but no further action was taken.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 5, 2018  
mag/kdm

---

Analysis by: Eric F. Pierce

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510