

# SENATE BILL 514

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By: **Senator Pinsky**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Automatic Renewals**

3 FOR the purpose of requiring a person who offers an automatic renewal offer online to allow  
4 consumers to cancel the automatic renewal in a certain manner; requiring automatic  
5 renewal offers that contain a free gift or trial to include a certain notice; establishing  
6 that a violation of this Act is an unfair or deceptive trade practice and subject to  
7 certain enforcement and penalty provisions; defining a certain term; and generally  
8 relating to automatic renewals.

9 BY adding to

10 Article – Commercial Law

11 Section 14–4201 through 14–4204 to be under the new subtitle “Subtitle 42.  
12 Automatic Renewals”

13 Annotated Code of Maryland

14 (2013 Replacement Volume and 2018 Supplement)

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

17 **Article – Commercial Law**

18 **SUBTITLE 42. AUTOMATIC RENEWALS.**

19 **14–4201.**

20 **IN THIS SUBTITLE, “AUTOMATIC RENEWAL” MEANS ANY CONTRACT, PLAN, OR**  
21 **AGREEMENT BETWEEN A CONSUMER AND A SELLER IN WHICH A PAID SUBSCRIPTION**  
22 **OR PURCHASING AGREEMENT IS AUTOMATICALLY RENEWED AT THE END OF A**  
23 **DEFINITE TERM FOR A SUBSEQUENT TERM.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **14-4202.**

2 (A) A PERSON THAT OFFERS AN AUTOMATIC RENEWAL OFFER ONLINE  
3 SHALL ALLOW A CONSUMER WHO ACCEPTS AN AUTOMATIC RENEWAL OFFER ONLINE  
4 TO TERMINATE THE AUTOMATIC RENEWAL EXCLUSIVELY ONLINE.

5 (B) THE ONLINE TERMINATION IN SUBSECTION (A) OF THIS SECTION MAY  
6 INCLUDE A TERMINATION E-MAIL FORMATTED AND PROVIDED BY THE PERSON  
7 THAT A CONSUMER CAN SEND TO THE PERSON WITHOUT ADDITIONAL  
8 INFORMATION.

9 **14-4203.**

10 IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR TRIAL, THE  
11 OFFER SHALL INCLUDE A CLEAR AND CONSPICUOUS NOTICE OF:

12 (1) THE PRICE THAT WILL BE CHARGED AFTER THE TRIAL ENDS; OR

13 (2) THE MANNER IN WHICH THE SUBSCRIPTION OR PURCHASING  
14 AGREEMENT PRICING WILL CHANGE ON CONCLUSION OF THE TRIAL.

15 **14-4204.**

16 A VIOLATION OF THIS SUBTITLE IS:

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2019.