

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 139
Economic Matters

(Delegate Crosby)

Finance

Consumer Protection - Electronic Transactions - Sale and Lease of Vehicles

This bill alters the Maryland Uniform Electronic Transactions Act (MUETA) to establish that, generally, only a dealer may contract for the sale and delivery of a vehicle by electronic means. Further, a consumer is deemed not to have agreed to enter into a transaction for the sale or lease of a vehicle with a dealer by electronic means unless the dealer provides the consumer with (1) a clear and readable copy of each document signed by the consumer and dealer in an electronic or written format and (2) reasonable opportunity for the consumer to review the documents before providing an electronic signature. If the vehicle is not delivered to the consumer at the dealership, the dealer must deliver the vehicle to a physical address provided by the consumer, as specified. Finally, the bill also authorizes certain non-dealer entities to contract for the sale of a vehicle by electronic means under similar parameters as vehicle dealers. The bill only applies prospectively.

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/Background: 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: A bill containing similar provisions, SB 866 of 2018, passed the Senate and received a hearing in the House Economic Matters Committee, but no further action was taken.

Designated Cross File: SB 134 (Senator Feldman) - Finance.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2020
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