

# HOUSE BILL 1205

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3lr2779

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By: **Delegates Miller and McComas**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Consumer Protection – Automated Bill Payments**

3 FOR the purpose of requiring a business that uses an automated bill payment system to  
4 provide a certain electronic notice to a consumer each time a payment is to be  
5 deducted from the consumer's bank account or credit card account in accordance with  
6 a certain contract; and generally relating to automated bill payments.

7 BY repealing and reenacting, with amendments,

8 Article – Commercial Law

9 Section 13–301(14)(xxxv)

10 Annotated Code of Maryland

11 (2013 Replacement Volume and 2022 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – Commercial Law

14 Section 13–301(14)(xxxvi)

15 Annotated Code of Maryland

16 (2013 Replacement Volume and 2022 Supplement)

17 BY adding to

18 Article – Commercial Law

19 Section 13–301(14)(xxxvii) and 14–1327

20 Annotated Code of Maryland

21 (2013 Replacement Volume and 2022 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Commercial Law**

25 13–301.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Unfair, abusive, or deceptive trade practices include any:

2 (14) Violation of a provision of:

3 (xxxv) Section 11–210 of the Education Article; [or]

4 (xxxvi) Title 14, Subtitle 44 of this article; or

5 **(XXXVII) SECTION 14–1327 OF THIS ARTICLE; OR**

6 **14–1327.**

7 **(A) IN THIS SECTION, “AUTOMATED BILL PAYMENT SYSTEM” MEANS A**  
8 **METHOD OF BILL PAYMENT IN WHICH A CONSUMER AUTHORIZES A BUSINESS TO**  
9 **AUTOMATICALLY DEDUCT MONEY FROM THE CONSUMER’S BANK ACCOUNT OR**  
10 **CREDIT CARD ACCOUNT IN ACCORDANCE WITH A CONTRACT.**

11 **(B) A BUSINESS THAT USES AN AUTOMATED BILL PAYMENT SYSTEM SHALL**  
12 **NOTIFY A CONSUMER EACH TIME A PAYMENT IS TO BE AUTOMATICALLY DEDUCTED**  
13 **FROM THE CONSUMER’S BANK ACCOUNT OR CREDIT CARD ACCOUNT.**

14 **(C) THE NOTIFICATION UNDER SUBSECTION (B) OF THIS SECTION SHALL:**

15 **(1) BE SENT IN ELECTRONIC FORM TO A CONSUMER AT LEAST 2**  
16 **BUSINESS DAYS BEFORE THE PAYMENT IS SCHEDULED TO BE AUTOMATICALLY**  
17 **DEDUCTED FROM THE CONSUMER’S BANK ACCOUNT OR CREDIT CARD ACCOUNT;**  
18 **AND**

19 **(2) INCLUDE:**

20 **(I) AN OPTION TO STOP USING THE AUTOMATED BILL PAYMENT**  
21 **SYSTEM; AND**

22 **(II) IF APPLICABLE, THE NUMBER OF PAYMENTS OR TIME LEFT**  
23 **ON THE CONTRACT BETWEEN THE BUSINESS AND THE CONSUMER.**

24 **(D) A VIOLATION OF THIS SECTION IS:**

25 **(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN**  
26 **THE MEANING OF TITLE 13 OF THIS ARTICLE; AND**

27 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**  
28 **CONTAINED IN TITLE 13 OF THIS ARTICLE.**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2023.