

HOUSE BILL 107

I3
HB 1049/24 – ECM

(PRE-FILED)

5lr1355
CF SB 49

By: **Delegate Pruski**

Requested: October 24, 2024

Introduced and read first time: January 8, 2025

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: February 21, 2025

CHAPTER _____

1 AN ACT concerning

2 **Consumer Protection – Automatic Renewals**

3 FOR the purpose of requiring a person who makes an automatic renewal offer to consumers
4 to allow a consumer to cancel the automatic renewal in a certain manner; requiring
5 automatic renewal offers to be displayed in a certain manner and contain certain
6 information; requiring a person who makes an automatic renewal offer to provide a
7 consumer with notice before the date when the automatic renewal is scheduled to
8 take effect; prohibiting a person who makes an automatic renewal offer from
9 automatically charging a consumer's credit card unless certain conditions are met;
10 establishing that compliance with certain regulations or a certain license shall be
11 considered to be in compliance with this Act; establishing that a violation of this Act
12 is an unfair, abusive, or deceptive trade practice; and generally relating to automatic
13 renewals.

14 BY repealing and reenacting, with amendments,
15 Article – Commercial Law
16 Section 13–301(14)(xlv)
17 Annotated Code of Maryland
18 (2013 Replacement Volume and 2024 Supplement)
19 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the
20 General Assembly of 2024)

21 BY repealing and reenacting, without amendments,
22 Article – Commercial Law

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 13–301(14)(xlv)
2 Annotated Code of Maryland
3 (2013 Replacement Volume and 2024 Supplement)
4 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the
5 General Assembly of 2024)

6 BY adding to
7 Article – Commercial Law
8 Section 13–301(14)(xlvi) and 14–1328
9 Annotated Code of Maryland
10 (2013 Replacement Volume and 2024 Supplement)

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

13 **Article – Commercial Law**

14 13–301.

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

16 (14) Violation of a provision of:

17 (xiv) Title 14, Subtitle 49 of this article; [or]

18 (xlv) Section 12–6C–09.1 of the Health Occupations Article; or

19 **(XLVI) SECTION 14–1328 OF THIS ARTICLE; OR**

20 **14–1328.**

21 **(A) IN THIS SECTION, “AUTOMATIC RENEWAL” MEANS ANY CONTRACT,**
22 **PLAN, OR AGREEMENT BETWEEN A CONSUMER AND A SELLER IN WHICH A PAID**
23 **SUBSCRIPTION OR PURCHASING AGREEMENT IS AUTOMATICALLY RENEWED AT THE**
24 **END OF A DEFINITE TERM OF MORE THAN 1 MONTH FOR A SUBSEQUENT TERM.**

25 **(B) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A**
26 **PERSON MAY NOT MAKE AN AUTOMATIC RENEWAL OFFER TO A CONSUMER UNLESS**
27 **THE PERSON:**

28 **(i) PRESENTS THE CONSUMER WITH THE TERMS OF THE**
29 **AUTOMATIC RENEWAL OFFER IN A CLEAR AND CONSPICUOUS MANNER BEFORE THE**
30 **SUBSCRIPTION OR PURCHASING AGREEMENT IS FULFILLED AND IN VISUAL**
31 **PROXIMITY TO, OR IN THE CASE OF AN OFFER CONVEYED ORALLY, AT THE SAME**
32 **TIME AS, THE REQUEST FOR CONSENT TO THE OFFER, INCLUDING:**

1 1. **THE PRICE THAT WILL BE CHARGED AFTER THE**
2 **INITIAL TERM ENDS; OR**

3 2. **THE MANNER IN WHICH THE SUBSCRIPTION OR**
4 **PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE INITIAL TERM;**

5 (ii) **PRESENTS THE CONSUMER WITH AN EASILY ACCESSIBLE**
6 **DISCLOSURE OF THE METHODS THAT THE CONSUMER MAY USE TO CANCEL THE**
7 **AUTOMATIC RENEWAL; AND**

8 (iii) **ALLOWS THE CONSUMER TO TERMINATE THE OFFER IN A**
9 **MANNER THAT DOES NOT DELAY, HINDER, OR OBSTRUCT THE CONSUMER’S ABILITY**
10 **TO TERMINATE THE AUTOMATIC RENEWAL.**

11 (2) **IF THE OFFER ALSO INCLUDES A FREE GIFT OR TRIAL, THE OFFER**
12 **SHALL INCLUDE A CLEAR AND CONSPICUOUS EXPLANATION OF THE PRICE THAT**
13 **WILL BE CHARGED AFTER THE TRIAL ENDS AND THE MANNER IN WHICH THE**
14 **SUBSCRIPTION OR PURCHASING AGREEMENT PRICING WILL CHANGE AT THE END**
15 **OF THE TRIAL.**

16 (3) (i) **A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER**
17 **SHALL ALLOW A CONSUMER WHO ACCEPTS THE OFFER TO TERMINATE THE**
18 **AUTOMATIC RENEWAL BY PROVIDING THE CONSUMER A SIMPLE, COST-EFFECTIVE,**
19 **AND WIDELY AVAILABLE MECHANISM TO:**

20 1. **CANCEL THE AUTOMATIC RENEWAL;**

21 2. **AVOID BEING CHARGED OR AVOID BEING CHARGED**
22 **AN INCREASED AMOUNT; AND**

23 3. **IMMEDIATELY STOP ANY RECURRING CHARGES.**

24 (ii) **A MECHANISM UNDER SUBPARAGRAPH (I) OF THIS**
25 **PARAGRAPH MUST:**

26 1. **BE AT LEAST AS EASY TO USE AS THE MECHANISM THE**
27 **CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL;**

28 2. **BE AVAILABLE THROUGH THE SAME MEDIUM THE**
29 **CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL;**

30 3. **IN THE CASE OF CANCELLATION BY ELECTRONIC**
31 **MEDIUM, BE EASY TO FIND ~~AND~~, NOT REQUIRE INTERACTION WITH A LIVE OR**
32 **VIRTUAL REPRESENTATIVE UNLESS THE CONSUMER INTERACTED WITH A LIVE OR**

1 VIRTUAL REPRESENTATIVE TO CONSENT TO THE AUTOMATIC RENEWAL, ~~INCLUDING~~
2 AND INCLUDE:

3 A. A PROMINENTLY ~~LOCATED~~ PLACED DIRECT LINK OR
4 BUTTON TO INITIATE THE CANCELLATION PROCESS, WHICH MAY BE LOCATED
5 EITHER WITHIN A CUSTOMER ACCOUNT OR PROFILE OR WITHIN DEVICE OR USER
6 SETTINGS; OR

7 B. ~~BY AN~~ AN IMMEDIATELY ACCESSIBLE TERMINATION
8 E-MAIL FORMATTED AND PROVIDED BY THE BUSINESS OR PERSON THAT MADE THE
9 AUTOMATIC RENEWAL OFFER THAT A CONSUMER MAY SEND WITHOUT ADDITIONAL
10 INFORMATION;

11 4. IN THE CASE OF CANCELLATION BY TELEPHONE
12 CALL, BE PROMPTLY PERFORMED THROUGH CALLS RECEIVED AT A ~~TOLL-FREE~~
13 TELEPHONE NUMBER THAT IS ANSWERED OR RECORDS MESSAGES AND THAT IS
14 MADE AVAILABLE DURING NORMAL BUSINESS HOURS; AND

15 5. IN THE CASE OF CANCELLATION PERFORMED IN
16 PERSON, BE PERFORMED IN A MANNER SIMILAR TO THE IN-PERSON METHOD THE
17 CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL, WHICH MAY INCLUDE
18 MAIL TO A POSTAL ADDRESS, IF THE PERSON BILLS THE CONSUMER AT THE
19 CONSUMER'S POSTAL ADDRESS.

20 (III) THE ALTERNATIVE MECHANISMS DESCRIBED IN
21 SUBPARAGRAPH (II)³ AND 4 OF THIS PARAGRAPH MUST ALSO BE MADE AVAILABLE
22 FOR AN IN-PERSON CANCELLATION UNDER SUBPARAGRAPH (II)⁵ OF THIS
23 PARAGRAPH.

24 (C) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A
25 PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER OR AN OFFER THAT
26 INCLUDES A FREE GIFT OR TRIAL SHALL, BEFORE THE END OF THE AUTOMATIC
27 RENEWAL OR FREE TRIAL, PROVIDE CLEAR AND CONSPICUOUS NOTICE OF THE
28 FOLLOWING:

29 (I) THAT THE OFFER WILL AUTOMATICALLY RENEW UNLESS
30 THE CONSUMER CANCELS;

31 (II) THE DURATION AND ANY ADDITIONAL TERMS OF THE
32 RENEWAL PERIOD, INCLUDING:

33 1. THE PRICE THAT WILL BE CHARGED AFTER THE
34 RENEWAL OR THE FREE TRIAL ENDS; OR

1 **(1) ~~ANY~~ ANY BUSINESS OR PERSON WITH CONTRACT RENEWAL**
 2 **PRACTICES SUBJECT TO REGULATIONS, RULES, PROCEDURES, OR GUIDELINES**
 3 **ESTABLISHED BY THE MARYLAND INSURANCE ADMINISTRATION; OR**

4 **(2) A SERVICE REGULATED BY:**

5 **(I) THE MARYLAND PUBLIC SERVICE COMMISSION;**

6 **(II) THE FEDERAL COMMUNICATIONS COMMISSION; OR**

7 **(III) THE FEDERAL ENERGY REGULATORY COMMISSION.**

8 **(G) A VIOLATION OF THIS SECTION IS:**

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

11 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**
 12 **CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT ~~§ 13-408~~ §§ 13-408 AND 13-411**
 13 **OF THIS ARTICLE.**

14 **(H) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AUTHORIZE A**
 15 **PRIVATE RIGHT OF ACTION UNDER THIS SECTION OR ANY OTHER LAW.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 17 ~~October~~ June 1, 2025 ~~2026~~.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.