

SENATE BILL 49

I3
SB 1040/24 – FIN

(PRE-FILED)

5lr1356
CF HB 107

By: **Senator Gile**

Requested: October 24, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

A BILL ENTITLED

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; establishing that compliance with
10 certain regulations shall be considered to be compliance with this Act; establishing
11 that a violation of this Act is an unfair, abusive, or deceptive trade practice; and
12 generally relating to automatic renewals.

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

20 BY repealing and reenacting, without amendments,
21 Article – Commercial Law
22 Section 13–301(14)(xlv)
23 Annotated Code of Maryland
24 (2013 Replacement Volume and 2024 Supplement)
25 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the
26 General Assembly of 2024)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Commercial Law
2 Section 13–301(14)(xlvi) and 14–1328
3 Annotated Code of Maryland
4 (2013 Replacement Volume and 2024 Supplement)

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

7 **Article – Commercial Law**

8 13–301.

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

10 (14) Violation of a provision of:

11 (xlv) Title 14, Subtitle 49 of this article; [or]

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

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

14 **14–1328.**

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

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

22 **(I) PRESENTS THE CONSUMER WITH THE TERMS OF THE**
23 **AUTOMATIC RENEWAL OFFER IN A CLEAR AND CONSPICUOUS MANNER BEFORE THE**
24 **SUBSCRIPTION OR PURCHASING AGREEMENT IS FULFILLED AND IN VISUAL**
25 **PROXIMITY TO, OR IN THE CASE OF AN OFFER CONVEYED ORALLY, AT THE SAME**
26 **TIME AS, THE REQUEST FOR CONSENT TO THE OFFER, INCLUDING:**

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

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

1 (II) PRESENTS THE CONSUMER WITH AN EASILY ACCESSIBLE
2 DISCLOSURE OF THE METHODS THAT THE CONSUMER MAY USE TO CANCEL THE
3 AUTOMATIC RENEWAL; AND

4 (III) ALLOWS THE CONSUMER TO TERMINATE THE OFFER IN A
5 MANNER THAT DOES NOT DELAY, HINDER, OR OBSTRUCT THE CONSUMER'S ABILITY
6 TO TERMINATE THE AUTOMATIC RENEWAL.

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

12 (3) (I) A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER
13 SHALL ALLOW A CONSUMER WHO ACCEPTS THE OFFER TO TERMINATE THE
14 AUTOMATIC RENEWAL BY PROVIDING THE CONSUMER A SIMPLE, COST-EFFECTIVE,
15 AND WIDELY AVAILABLE MECHANISM TO:

- 16 1. CANCEL THE AUTOMATIC RENEWAL;
- 17 2. AVOID BEING CHARGED OR AVOID BEING CHARGED
18 AN INCREASED AMOUNT; AND
- 19 3. IMMEDIATELY STOP ANY RECURRING CHARGES.

20 (II) A MECHANISM UNDER SUBPARAGRAPH (I) OF THIS
21 PARAGRAPH MUST:

- 22 1. BE AT LEAST AS EASY TO USE AS THE MECHANISM THE
23 CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL;
- 24 2. BE AVAILABLE THROUGH THE SAME MEDIUM THE
25 CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL;
- 26 3. IN THE CASE OF CANCELLATION BY ELECTRONIC
27 MEDIUM, BE EASY TO FIND AND NOT REQUIRE INTERACTION WITH A LIVE OR
28 VIRTUAL REPRESENTATIVE UNLESS THE CONSUMER INTERACTED WITH A LIVE OR
29 VIRTUAL REPRESENTATIVE TO CONSENT TO THE AUTOMATIC RENEWAL,
30 INCLUDING:

31 A. A PROMINENTLY LOCATED DIRECT LINK OR BUTTON
32 WHICH MAY BE LOCATED EITHER WITHIN A CUSTOMER ACCOUNT OR PROFILE OR
33 WITHIN DEVICE OR USER SETTINGS; OR

1 **B. BY AN IMMEDIATELY ACCESSIBLE TERMINATION**
2 **E-MAIL FORMATTED AND PROVIDED BY THE BUSINESS OR PERSON THAT MADE THE**
3 **AUTOMATIC RENEWAL OFFER THAT A CONSUMER MAY SEND WITHOUT ADDITIONAL**
4 **INFORMATION;**

5 **4. IN THE CASE OF CANCELLATION BY TELEPHONE**
6 **CALL, BE PROMPTLY PERFORMED THROUGH CALLS RECEIVED AT A TOLL-FREE**
7 **TELEPHONE NUMBER THAT IS ANSWERED OR RECORDS MESSAGES AND THAT IS**
8 **MADE AVAILABLE DURING NORMAL BUSINESS HOURS; AND**

9 **5. IN THE CASE OF CANCELLATION PERFORMED IN**
10 **PERSON, BE PERFORMED IN A MANNER SIMILAR TO THE IN-PERSON METHOD THE**
11 **CONSUMER USED TO CONSENT TO THE AUTOMATIC RENEWAL, WHICH MAY INCLUDE**
12 **MAIL TO A POSTAL ADDRESS, IF THE PERSON BILLS THE CONSUMER AT THE**
13 **CONSUMER'S POSTAL ADDRESS.**

14 **(III) THE ALTERNATIVE MECHANISMS DESCRIBED IN**
15 **SUBPARAGRAPH (II)3 AND 4 OF THIS PARAGRAPH MUST ALSO BE MADE AVAILABLE**
16 **FOR AN IN-PERSON CANCELLATION UNDER SUBPARAGRAPH (II)5 OF THIS**
17 **PARAGRAPH.**

18 **(C) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A**
19 **PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER OR AN OFFER THAT**
20 **INCLUDES A FREE GIFT OR TRIAL SHALL, BEFORE THE END OF THE AUTOMATIC**
21 **RENEWAL OR FREE TRIAL, PROVIDE CLEAR AND CONSPICUOUS NOTICE OF THE**
22 **FOLLOWING:**

23 **(I) THAT THE OFFER WILL AUTOMATICALLY RENEW UNLESS**
24 **THE CONSUMER CANCELS;**

25 **(II) THE DURATION AND ANY ADDITIONAL TERMS OF THE**
26 **RENEWAL PERIOD, INCLUDING:**

27 **1. THE PRICE THAT WILL BE CHARGED AFTER THE**
28 **RENEWAL OR THE FREE TRIAL ENDS; OR**

29 **2. THE MANNER IN WHICH THE SUBSCRIPTION OR**
30 **PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE TRIAL;**

31 **(III) THE VARIOUS METHODS BY WHICH A CONSUMER MAY**
32 **CANCEL THE AUTOMATIC RENEWAL OR CONTINUOUS SERVICE;**

1 (IV) IF THE NOTICE IS SENT ELECTRONICALLY, A LINK THAT
2 DIRECTS THE CONSUMER TO THE CANCELLATION PROCESS OR ANOTHER
3 REASONABLY ACCESSIBLE ELECTRONIC METHOD THAT DIRECTS THE CONSUMER TO
4 THE CANCELLATION PROCESS IF NO LINK EXISTS; AND

5 (V) CONTACT INFORMATION FOR THE BUSINESS OR PERSON
6 THAT MADE THE AUTOMATIC RENEWAL OFFER.

7 (2) IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR
8 TRIAL, THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL
9 BE PROVIDED NOT LESS THAN 3 DAYS AND NOT MORE THAN 21 DAYS BEFORE THE
10 DATE WHEN THE AUTOMATIC RENEWAL IS SCHEDULED TO TAKE EFFECT.

11 (3) IF THE CONSUMER HAS ACCEPTED AN AUTOMATIC RENEWAL
12 OFFER WITH AN INITIAL TERM OF AT LEAST 1 YEAR, THE NOTICE REQUIRED UNDER
13 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED NOT LESS THAN 15 DAYS
14 AND NOT MORE THAN 45 DAYS BEFORE THE DATE WHEN THE AUTOMATIC RENEWAL
15 IS SCHEDULED TO TAKE EFFECT.

16 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A PERSON
17 THAT MAKES AN AUTOMATIC RENEWAL OFFER MAY NOT AUTOMATICALLY CHARGE
18 THE CONSUMER'S CREDIT CARD UNLESS CLEAR AND CONSPICUOUS NOTICE IS
19 PROVIDED.

20 (E) A PERSON THAT COMPLIES WITH THE REQUIREMENTS FOR CONTRACT
21 RENEWAL PROCEDURES ESTABLISHED BY THE STATE OR FEDERAL REGULATORY
22 AGENCY THAT IS RESPONSIBLE FOR REGULATING THE PERSON SHALL BE DEEMED
23 TO BE IN COMPLIANCE WITH THIS SECTION.

24 (F) THIS SECTION DOES NOT APPLY TO ANY BUSINESS OR PERSON WITH
25 CONTRACT RENEWAL PRACTICES SUBJECT TO REGULATIONS, RULES, PROCEDURES,
26 OR GUIDELINES ESTABLISHED BY THE MARYLAND INSURANCE ADMINISTRATION.

27 (G) A VIOLATION OF THIS SECTION IS:

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

30 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS
31 CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT § 13-408 OF THIS ARTICLE.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2025.