

# SENATE BILL 49

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SB 1040/24 – FIN

(PRE-FILED)

5lr1356  
CF HB 107

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By: **Senator Gile**

Requested: October 24, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 2025

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## 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 compliance with this Act; establishing that a violation of this Act is  
12 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

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### 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)(xlv) 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~~ COST-EFFECTIVE, TIMELY, AND EASY-TO-USE MECHANISM**  
20 **TO:**

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

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

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

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

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

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

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

1 VIRTUAL REPRESENTATIVE UNLESS THE CONSUMER INTERACTED WITH A LIVE OR  
2 VIRTUAL REPRESENTATIVE TO CONSENT TO THE AUTOMATIC RENEWAL, ~~INCLUDING~~  
3 AND INCLUDE:

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

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

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

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

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

25 (IV) 1. IF A CONSUMER HAS AN ACCOUNT WITH A BUSINESS,  
26 THE BUSINESS MAY REQUIRE THE CONSUMER TO ENTER ACCOUNT INFORMATION OR  
27 OTHERWISE AUTHENTICATE THE ACCOUNT ONLINE BEFORE ONLINE TERMINATION  
28 OF THE AUTOMATIC RENEWAL OR CONTINUOUS SERVICE.

29 2. IF A CONSUMER IS UNWILLING OR UNABLE TO ENTER  
30 ACCOUNT INFORMATION OR OTHERWISE AUTHENTICATE THE CONSUMER'S  
31 ACCOUNT ONLINE BEFORE ONLINE TERMINATION OF THE AUTOMATIC RENEWAL OR  
32 CONTINUOUS SERVICE, THE CONSUMER MAY NOT BE PRECLUDED FROM  
33 AUTHENTICATING THE CONSUMER'S ACCOUNT OR TERMINATING THE AUTOMATIC  
34 RENEWAL OR CONTINUOUS SERVICE USING ANOTHER METHOD THAT THE BUSINESS  
35 PROVIDES IN A CLEAR AND CONSPICUOUS MANNER.

1           **(C) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A**  
2 **PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER OR AN OFFER THAT**  
3 **INCLUDES A FREE GIFT OR TRIAL LASTING MORE THAN 14 DAYS SHALL, BEFORE THE**  
4 **END OF THE AUTOMATIC RENEWAL OR FREE TRIAL, PROVIDE CLEAR AND**  
5 **CONSPICUOUS NOTICE OF THE FOLLOWING:**

6                   **(I) THAT THE OFFER WILL AUTOMATICALLY RENEW UNLESS**  
7 **THE CONSUMER CANCELS;**

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

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

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

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

16                   **(IV) IF THE NOTICE IS SENT ELECTRONICALLY, A LINK THAT**  
17 **DIRECTS THE CONSUMER TO THE CANCELLATION PROCESS OR ANOTHER**  
18 **REASONABLY ACCESSIBLE ELECTRONIC METHOD THAT DIRECTS THE CONSUMER TO**  
19 **THE CANCELLATION PROCESS IF NO LINK EXISTS; AND**

20                   **(V) CONTACT INFORMATION FOR THE BUSINESS OR PERSON**  
21 **THAT MADE THE AUTOMATIC RENEWAL OFFER.**

22           **(2) IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR**  
23 **TRIAL LASTING MORE THAN 14 DAYS, THE NOTICE REQUIRED UNDER PARAGRAPH**  
24 **(1) OF THIS SUBSECTION SHALL BE PROVIDED NOT LESS THAN 3 DAYS AND NOT**  
25 **MORE THAN 21 DAYS BEFORE THE DATE WHEN THE AUTOMATIC RENEWAL IS**  
26 **SCHEDULED TO TAKE EFFECT.**

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

32           **(D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A PERSON**  
33 **THAT MAKES AN AUTOMATIC RENEWAL OFFER WITH AN INITIAL DEFINITE TERM OF**

1 MORE THAN 1 MONTH MAY NOT AUTOMATICALLY CHARGE THE CONSUMER'S CREDIT  
2 CARD UNLESS:

3 (1) ~~CLEAR~~ CLEAR AND CONSPICUOUS NOTICE IS PROVIDED TO THE  
4 CONSUMER; AND

5 (2) THE CONSUMER PROVIDES CONSENT TO THE AUTOMATIC  
6 CHARGE OF THE CONSUMER'S CREDIT CARD.

7 (E) A PERSON THAT COMPLIES WITH THE REQUIREMENTS FOR CONTRACT  
8 RENEWAL PROCEDURES ESTABLISHED BY THE STATE OR FEDERAL REGULATORY  
9 AGENCY THAT IS RESPONSIBLE FOR REGULATING THE PERSON OR THAT IS  
10 LICENSED UNDER TITLE 18 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS  
11 ARTICLE SHALL BE DEEMED TO BE IN COMPLIANCE WITH THIS SECTION.

12 (F) THIS SECTION DOES NOT APPLY TO:

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

16 (2) A SERVICE REGULATED BY:

17 (i) THE MARYLAND PUBLIC SERVICE COMMISSION;

18 (ii) THE FEDERAL COMMUNICATIONS COMMISSION; OR

19 (iii) THE FEDERAL ENERGY REGULATORY COMMISSION.

20 (G) A VIOLATION OF THIS SECTION IS:

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

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

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

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