

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 224
Economic Matters

(Delegate Conaway)

Commercial Law - False Advertising - Penalties

This bill increases, from \$500 to \$1,000, the maximum penalty for violating the prohibition against false advertising.

Fiscal Summary

State Effect: General fund revenues increase to the extent actions are brought by the Office of the Attorney General (OAG); any such impact is assumed to be minimal. Expenditures are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: “Advertise falsely” means to use any advertisement, including a label, which is misleading in a material respect. A person may not advertise falsely in the conduct of any business, trade, or commerce or in the provision of any service.

To determine if an advertisement is misleading, the following factors must be considered (in addition to any other appropriate considerations):

- any representation made by statement, word, design, device, or sound, whether alone or together; and
- the extent to which the advertisement fails to reveal a fact which, in light of any representation made, is material with respect to the advertised commodity or service

under conditions which are (1) customary or usual or (2) described in the advertisement.

Any person who violates any provision of the State's false advertising law is subject to a penalty not exceeding \$500 for each violation, which OAG may recover for the State in a civil action. Before OAG commences any enforcement action, the person against whom the action is proposed must be given (1) notice by registered or certified mail of the proposed action and (2) an opportunity to show cause orally or in writing why the action should not be commenced.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2025
km/jkb

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