



Senate Bill 49

Date: January 23, 2025

Committee: Senate Finance

Position: Opposed

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

The Maryland Chamber appreciates the intent of Senate Bill (SB 49), but as drafted, the bill would establish a regulatory framework for automatic renewals of subscriptions and purchase agreements that exposes businesses to extensive civil fines and criminal penalties including imprisonment based on subjective thresholds.

SB 49 incorporates penalties under the Maryland Consumer Protection Act, which include civil fines of up to \$10,000 per violation and criminal penalties that include imprisonment not to exceed one year. Considering the incorporated penalties, the Maryland Chamber is particularly concerned with the subjective thresholds delineated in SB 49. For example, SB 49 requires electronic cancellation to be “easy to find” via a “prominently located direct link” and cancellation by telephone to be performed “promptly,” but SB 49 doesn’t clearly provide objective thresholds to determine when a link is easy to find or prominently located or whether a telephone cancellation has been performed promptly.

As drafted, SB 49 would misalign Maryland with other states and make it difficult for services to be provided to Maryland’s consumers. For example, SB 49’s broad application to subscriptions or purchase agreements with a subsequent term of more than one month would necessitate revisions to user interfaces and stipulations that only apply to Maryland. To better align Maryland with other states, foster compliance, and ensure that services are offered uninterrupted to Maryland’s consumers, the Maryland Chamber respectfully requests that the committee look to regulatory frameworks and thresholds in other states that have been proven to foster compliance.

Please note that the Maryland Chamber opposes the Office of the Attorney General’s requested amendment to establish a private right of action that would further expose businesses to liability. As previously noted, the Maryland Consumer Protection Act provides the Attorney General with significant enforcement tools to ensure compliance, including injunctive relief, extensive civil fines, and criminal penalties. As such, the Maryland Chamber respectfully requests that the Committee resist establishing a private right of action within SB 49.

Maryland businesses and consumers benefit from clear requirements for paid subscriptions that allow services to be offered without interruption to consumers. Moreover, a regulatory framework

that aligns Maryland with other states will foster compliance, ensure appropriate consumer protection, and shield Maryland's businesses from disproportionate liability. For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report on SB 49**.

