



**Testimony to the Senate Finance Committee
SB49 Consumer Protection - Automatic Renewals
Position: Favorable**

January 23, 2025

The Honorable Pam Beidle Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance Committee

Honorable Chair Beidle and members of the committee:

Economic Action Maryland Fund (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights, equity and housing justice for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I am writing to urge your favorable report toward SB49 which provides clarity and transparency to contracts which renew. Subscription models have increased as a business practice over the past decade. In these models, consumers sign up for a service, often a trial subscription, and are charged monthly for the service or product. Unfortunately, many businesses have not made it clear that consumers are signing up for a monthly debit from their bank account or charge, while others make it onerous and time-consuming to cancel the subscription.

To address these deceptive practices, the Federal Trade Commission (FTC) issued a 'click-to-cancel' rule which makes it as easy for consumers to cancel subscriptions as it is to sign up for one. The rule took effect early this year but may be rescinded or weakened under the new administration.¹

SB49 hews closely to the FTC rule and is similar to laws in more than 20 states on automatic renewals². The legislation provides commonsense transparency and clarity to these subscription contracts.

¹ [Will 'click to cancel' get canceled? FTC rule faces uncertain fate](#)

² *ibid*

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Specifically, the legislation:

- Present their terms in a clear and conspicuous way before the consumer signs on.
- Give consumers clear information about how they may cancel.
- Allow consumers to end their subscription without undue delay or difficulty.
- Explain clearly the prices and terms that will take effect once a free trial period expires.
- Provide a widely-accessible mechanism (i.e. toll-free number or an email address or a direct link in a consumer's account) for cancelling the contract.
- Give consumers timely notice of when a free trial period will end, that the contract will renew unless cancelled by that date, and also about how they can cancel.

SB49 makes violations of these terms a violation of the MDCPA.

For all these reasons we support SB49 and urge a favorable report.

Best,

Zoe Gallager,
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