

HOUSE BILL 1215

I3, I4
HB 193/12 – ECM

3lr2715

By: **Delegate Walker**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 16, 2013

CHAPTER _____

1 AN ACT concerning

2 **Consumer Protection – Home Appliances – Warranty Enforcement**

3 FOR the purpose of requiring a manufacturer of home appliances or its agent to repair
4 or correct a nonconformity in a home appliance at no cost to the consumer if the
5 home appliance does not conform to the manufacturer's express warranties;
6 providing that a manufacturer's obligation to repair or correct a nonconformity
7 under this Act applies only if the consumer satisfies certain conditions;
8 requiring a manufacturer, under certain circumstances and at the option of the
9 consumer, to replace a home appliance with a comparable home appliance or
10 accept return of a home appliance and refund the purchase price less certain
11 reasonable allowances; requiring that a refund of the purchase price be made to
12 the consumer and any holder of a perfected security interest in the home
13 appliance in a certain manner; providing that the manufacturer is responsible
14 for the cost of returning a home appliance to the manufacturer; providing for
15 certain affirmative defenses; establishing a certain presumption; providing for
16 the extension of the term of a manufacturer's express warranty by any time
17 during which a home appliance is out of service for repair of a nonconformity;
18 providing for the extension of the term of a manufacturer's express warranty
19 and a certain out-of-service period if repair services are not available for
20 certain reasons; providing that this Act does not limit the rights and remedies
21 that otherwise are available to a consumer under any other law; providing that
22 a consumer is not required to resort to a certain informal dispute settlement
23 procedure before certain provisions of this Act apply; providing that a consumer
24 who resorts to an informal dispute resolution procedure may not be precluded
25 from seeking other available remedies; providing that an agreement for the

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 purchase of a home appliance is void to the extent that it attempts to waive,
 2 limit, or disclaim certain rights of a consumer; providing that a manufacturer
 3 that fails to comply with certain provisions of this Act is liable to the consumer
 4 for certain damages; authorizing a court to award reasonable attorney's fees to a
 5 prevailing plaintiff in an action brought under this Act; authorizing a court to
 6 order a party to pay to the other party reasonable attorney's fees if it appears
 7 that an action is brought in bad faith or is frivolous in nature; requiring that an
 8 action brought under this Act be brought within a certain time; providing that a
 9 violation of certain provisions of this Act is an unfair or deceptive trade practice
 10 within the meaning of the Maryland Consumer Protection Act; prohibiting a
 11 consumer who recovers damages under certain provisions of this Act from
 12 recovering damages for the same violation under a certain provision of the
 13 Maryland Consumer Protection Act; providing for the application of this Act;
 14 defining certain terms; and generally relating to home appliances and the
 15 enforcement of manufacturers' express warranties on home appliances.

16 BY adding to

17 Article – Commercial Law

18 Section 14–15A–01 through 14–15A–08 to be under the new subtitle “Subtitle
 19 15A. Home Appliance Warranty Enforcement Act”

20 Annotated Code of Maryland

21 (2005 Replacement Volume and 2012 Supplement)

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

24 **Article – Commercial Law**

25 **SUBTITLE 15A. HOME APPLIANCE WARRANTY ENFORCEMENT ACT.**

26 **14–15A–01.**

27 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
 28 **INDICATED.**

29 **(B) “CONSUMER” MEANS:**

30 **(1) THE PURCHASER, OTHER THAN FOR PURPOSES OF RESALE,**
 31 **OF A HOME APPLIANCE; OR**

32 **(2) ANY OTHER PERSON WHO IS ENTITLED TO ENFORCE THE**
 33 **OBLIGATIONS OF A MANUFACTURER’S EXPRESS WARRANTY ON A HOME**
 34 **APPLIANCE.**

35 **(C) “HOME APPLIANCE” MEANS A REFRIGERATOR, A WASHER, A DRYER,**
 36 **OR A DISHWASHER THAT IS USED OR SOLD FOR USE IN A PRIVATE RESIDENCE.**

1 **(D) (1) “MANUFACTURER” MEANS A PERSON ENGAGED IN THE**
2 **BUSINESS OF MANUFACTURING, ASSEMBLING, IMPORTING, OR DISTRIBUTING**
3 **HOME APPLIANCES.**

4 **(2) “MANUFACTURER” DOES NOT INCLUDE A HOME APPLIANCE**
5 **DEALER.**

6 **14-15A-02.**

7 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF A HOME**
8 **APPLIANCE DOES NOT CONFORM TO THE MANUFACTURER’S EXPRESS**
9 **WARRANTIES, THE MANUFACTURER OR ITS AGENT SHALL REPAIR OR CORRECT**
10 **THE NONCONFORMITY AT NO COST TO THE CONSUMER.**

11 **(B) THE MANUFACTURER’S OBLIGATION TO REPAIR OR CORRECT A**
12 **NONCONFORMITY UNDER SUBSECTION (A) OF THIS SECTION APPLIES ONLY IF**
13 **THE CONSUMER:**

14 **(1) REPORTS THE NONCONFORMITY TO THE MANUFACTURER OR**
15 **ITS AGENT; AND**

16 **(2) MAKES THE HOME APPLIANCE AVAILABLE FOR REPAIR.**

17 **14-15A-03.**

18 **(A) IF THE MANUFACTURER OR ITS AGENT IS UNABLE TO CONFORM THE**
19 **HOME APPLIANCE TO THE MANUFACTURER’S EXPRESS WARRANTIES AFTER A**
20 **REASONABLE NUMBER OF ATTEMPTS AND THE NONCONFORMITY**
21 **SUBSTANTIALLY IMPAIRS THE USE AND MARKET VALUE OF THE HOME**
22 **APPLIANCE TO THE CONSUMER, THE MANUFACTURER, AT THE OPTION OF THE**
23 **CONSUMER, SHALL:**

24 **(1) REPLACE THE HOME APPLIANCE WITH A COMPARABLE HOME**
25 **APPLIANCE ACCEPTABLE TO THE CONSUMER; OR**

26 **(2) ACCEPT RETURN OF THE HOME APPLIANCE FROM THE**
27 **CONSUMER AND REFUND TO THE CONSUMER THE FULL PURCHASE PRICE,**
28 **INCLUDING ALL SALES TAXES PAID IN CONNECTION WITH THE PURCHASE OF**
29 **THE HOME APPLIANCE, LESS:**

30 **(I) A REASONABLE ALLOWANCE FOR THE CONSUMER’S USE**
31 **OF THE HOME APPLIANCE NOT TO EXCEED 15% OF THE PURCHASE PRICE; AND**

1 **(II) A REASONABLE ALLOWANCE FOR DAMAGE NOT**
2 **ATTRIBUTABLE TO NORMAL WEAR, BUT NOT INCLUDING DAMAGE RESULTING**
3 **FROM A NONCONFORMITY.**

4 **(B) ANY REFUNDS MADE UNDER SUBSECTION (A) OF THIS SECTION**
5 **SHALL BE MADE TO THE CONSUMER AND ANY HOLDER OF A PERFECTED**
6 **SECURITY INTEREST IN THE HOME APPLIANCE IN ACCORDANCE WITH THEIR**
7 **RESPECTIVE INTERESTS.**

8 **(C) THE MANUFACTURER IS RESPONSIBLE FOR THE COST OF**
9 **RETURNING THE HOME APPLIANCE TO THE MANUFACTURER.**

10 **(D) IT IS AN AFFIRMATIVE DEFENSE TO ANY CLAIM UNDER THIS**
11 **SECTION THAT THE NONCONFORMITY:**

12 **(1) DOES NOT SUBSTANTIALLY IMPAIR THE USE AND MARKET**
13 **VALUE OF THE HOME APPLIANCE; OR**

14 **(2) IS THE RESULT OF ABUSE OR NEGLIGENCE OF THE HOME**
15 **APPLIANCE.**

16 **(E) IT IS PRESUMED THAT A REASONABLE NUMBER OF ATTEMPTS HAVE**
17 **BEEN UNDERTAKEN TO CONFORM A HOME APPLIANCE TO THE**
18 **MANUFACTURER'S EXPRESS WARRANTIES IF:**

19 **(1) THE SAME NONCONFORMITY HAS BEEN SUBJECT TO REPAIR**
20 **THREE OR MORE TIMES BY THE MANUFACTURER OR ITS AGENT BUT THE SAME**
21 **NONCONFORMITY CONTINUES TO EXIST; OR**

22 **(2) THE HOME APPLIANCE IS OUT OF SERVICE BY REASON OF**
23 **REPAIR OF ONE OR MORE NONCONFORMITIES FOR A CUMULATIVE TOTAL OF 30**
24 **OR MORE DAYS.**

25 **14-15A-04.**

26 **(A) THE TERM OF A MANUFACTURER'S EXPRESS WARRANTY SHALL BE**
27 **EXTENDED BY ANY TIME DURING WHICH THE HOME APPLIANCE UNDER**
28 **WARRANTY IS OUT OF SERVICE BY REASON OF REPAIR OF ONE OR MORE**
29 **NONCONFORMITIES.**

30 **(B) THE TERM OF A MANUFACTURER'S EXPRESS WARRANTY AND THE**
31 **30-DAY OUT-OF-SERVICE PERIOD UNDER § 14-15A-03(E)(2) OF THIS SUBTITLE**
32 **SHALL BE EXTENDED BY ANY TIME DURING WHICH REPAIR SERVICES ARE NOT**
33 **AVAILABLE TO THE CONSUMER BY REASON OF:**

- 1 (1) WAR;
- 2 (2) INVASION;
- 3 (3) STRIKE; OR
- 4 (4) FIRE, FLOOD, OR OTHER NATURAL DISASTER.

5 **14-15A-05.**

6 THIS SUBTITLE DOES NOT LIMIT THE RIGHTS OR REMEDIES THAT
7 OTHERWISE ARE AVAILABLE TO A CONSUMER UNDER ANY OTHER LAW,
8 INCLUDING THE MARYLAND UNIFORM COMMERCIAL CODE AND TITLE 15,
9 CHAPTER 50 OF THE U.S. CODE (MAGNUSON-MOSS ACT).

10 **14-15A-06.**

11 (A) IF A MANUFACTURER HAS ESTABLISHED AN INFORMAL DISPUTE
12 SETTLEMENT PROCEDURE THAT COMPLIES IN ALL RESPECTS WITH 16 C.F.R.
13 PART 703, A CONSUMER IS NOT REQUIRED TO RESORT TO THAT PROCEDURE
14 BEFORE § 14-15A-03 OF THIS SUBTITLE APPLIES.

15 (B) A CONSUMER WHO HAS RESORTED TO AN INFORMAL DISPUTE
16 SETTLEMENT PROCEDURE MAY NOT BE PRECLUDED FROM SEEKING OTHER
17 REMEDIES PROVIDED BY LAW.

18 **14-15A-07.**

19 AN AGREEMENT ENTERED INTO BY A CONSUMER FOR THE PURCHASE OF A
20 HOME APPLIANCE IS VOID TO THE EXTENT THAT THE AGREEMENT ATTEMPTS TO
21 WAIVE, LIMIT, OR DISCLAIM THE CONSUMER'S RIGHTS UNDER THIS SUBTITLE.

22 **14-15A-08.**

23 (A) A MANUFACTURER THAT FAILS TO COMPLY WITH § 14-15A-02 OR §
24 14-15A-03 OF THIS SUBTITLE IS LIABLE TO THE CONSUMER FOR:

25 (1) ACTUAL DAMAGES SUSTAINED BY THE CONSUMER AS A
26 RESULT OF THE MANUFACTURER'S FAILURE TO COMPLY; AND

27 (2) IF THE MANUFACTURER ACTED IN BAD FAITH, AN
28 ADDITIONAL AMOUNT OF UP TO TWO TIMES THE ACTUAL DAMAGES SUSTAINED
29 BY THE CONSUMER.

1 **(B) (1) A COURT MAY AWARD REASONABLE ATTORNEY'S FEES TO A**
 2 **PREVAILING PLAINTIFF UNDER THIS SUBTITLE.**

3 **(2) IF IT APPEARS TO THE SATISFACTION OF THE COURT THAT AN**
 4 **ACTION IS BROUGHT IN BAD FAITH OR IS OF A FRIVOLOUS NATURE, THE COURT**
 5 **MAY ORDER THE OFFENDING PARTY TO PAY TO THE OTHER PARTY REASONABLE**
 6 **ATTORNEY'S FEES.**

7 **(C) AN ACTION BROUGHT UNDER THIS SUBTITLE MUST BE BROUGHT**
 8 **WITHIN 1 YEAR AFTER THE MANUFACTURER'S VIOLATION OF THIS SUBTITLE.**

9 **(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A**
 10 **VIOLATION OF § 14-15A-02 OR § 14-15A-03 OF THIS SUBTITLE IS AN UNFAIR**
 11 **OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13 OF THIS**
 12 **ARTICLE.**

13 **(2) A CONSUMER WHO RECOVERS DAMAGES UNDER THIS**
 14 **SECTION FOR A VIOLATION OF § 14-15A-02 OR § 14-15A-03 OF THIS SUBTITLE**
 15 **MAY NOT RECOVER DAMAGES FOR THE SAME VIOLATION UNDER § 13-408 OF**
 16 **THIS ARTICLE.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
 18 construed to apply only prospectively to home appliances that are sold on or after the
 19 effective date of this Act.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 October 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.