

HOUSE BILL 1049

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4lr0577
CF SB 1040

By: **Delegate Pruski**

Introduced and read first time: February 7, 2024

Assigned to: Economic Matters

A BILL ENTITLED

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 on which the automatic renewal is scheduled
8 to take effect; prohibiting a person who makes an automatic renewal offer from
9 automatically charging a consumer's credit card; establishing that a violation of this
10 Act is an unfair, abusive, or deceptive trade practice; and generally relating to
11 automatic renewals.

12 BY repealing and reenacting, with amendments,
13 Article – Commercial Law
14 Section 13–301(14)(xl)
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Commercial Law
19 Section 13–301(14)(xli)
20 Annotated Code of Maryland
21 (2013 Replacement Volume and 2023 Supplement)

22 BY adding to
23 Article – Commercial Law
24 Section 13–301(14)(xlii) and 14–1328
25 Annotated Code of Maryland
26 (2013 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Commercial Law**

4 13–301.

5 Unfair, abusive, or deceptive trade practices include any:

6 (14) Violation of a provision of:

7 (xl) Title 14, Subtitle 13 of the Public Safety Article; [or]

8 (xli) Title 14, Subtitle 45 of this article; or

9 **(XLII) SECTION 14–1328 OF THIS ARTICLE; OR**

10 **14–1328.**

11 **(A) IN THIS SECTION, “AUTOMATIC RENEWAL” MEANS ANY CONTRACT,**
12 **PLAN, OR AGREEMENT BETWEEN A CONSUMER AND A SELLER IN WHICH A PAID**
13 **SUBSCRIPTION OR PURCHASING AGREEMENT IS AUTOMATICALLY RENEWED AT THE**
14 **END OF A DEFINITE TERM FOR A SUBSEQUENT TERM.**

15 **(B) (1) A PERSON MAY NOT MAKE AN AUTOMATIC RENEWAL OFFER TO A**
16 **CONSUMER UNLESS THE PERSON:**

17 **(I) PRESENTS THE CONSUMER WITH THE TERMS OF THE**
18 **AUTOMATIC RENEWAL OFFER IN A CLEAR AND CONSPICUOUS MANNER BEFORE THE**
19 **SUBSCRIPTION OR PURCHASING AGREEMENT IS FULFILLED AND IN VISUAL**
20 **PROXIMITY TO, OR IN THE CASE OF AN OFFER CONVEYED ORALLY, AT THE SAME**
21 **TIME AS, THE REQUEST FOR CONSENT TO THE OFFER, INCLUDING:**

22 **1. THE PRICE THAT WILL BE CHARGED AFTER THE**
23 **INITIAL TERM ENDS; OR**

24 **2. THE MANNER IN WHICH THE SUBSCRIPTION OR**
25 **PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE INITIAL TERM;**

26 **(II) PRESENTS THE CONSUMER WITH AN EASILY ACCESSIBLE**
27 **DISCLOSURE OF THE METHODS THAT THE CONSUMER MAY USE TO CANCEL THE**
28 **AUTOMATIC RENEWAL; AND**

1 (III) ALLOWS THE CONSUMER TO TERMINATE THE OFFER IN A
2 MANNER THAT DOES NOT DELAY, HINDER, OR OBSTRUCT THE CONSUMER'S ABILITY
3 TO TERMINATE THE AUTOMATIC RENEWAL.

4 (2) IF THE OFFER ALSO INCLUDES A FREE GIFT OR TRIAL, THE OFFER
5 SHALL INCLUDE A CLEAR AND CONSPICUOUS EXPLANATION OF THE PRICE THAT
6 WILL BE CHARGED AFTER THE TRIAL ENDS AND THE MANNER IN WHICH THE
7 SUBSCRIPTION OR PURCHASING AGREEMENT PRICING WILL CHANGE AT THE END
8 OF THE TRIAL.

9 (3) A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER ONLINE
10 SHALL ALLOW A CONSUMER WHO ACCEPTS THE OFFER ONLINE TO TERMINATE THE
11 AUTOMATIC RENEWAL BY:

12 (I) PROVIDING A COST-EFFECTIVE AND WIDELY AVAILABLE
13 MECHANISM FOR CANCELING THE AUTOMATIC RENEWAL, INCLUDING:

14 1. A TOLL-FREE TELEPHONE NUMBER;

15 2. AN E-MAIL ADDRESS; OR

16 3. A POSTAL ADDRESS, IF THE PERSON BILLS THE
17 CONSUMER AT THE CONSUMER'S POSTAL ADDRESS; OR

18 (II) ANY MEANS OF COMMUNICATING INFORMATION OVER A
19 COMPUTER NETWORK, INCLUDING:

20 1. A PROMINENTLY LOCATED DIRECT LINK OR BUTTON
21 WHICH MAY BE LOCATED WITHIN EITHER A CUSTOMER ACCOUNT OR PROFILE, OR
22 WITHIN EITHER DEVICE OR USER SETTINGS; OR

23 2. BY AN IMMEDIATELY ACCESSIBLE TERMINATION
24 E-MAIL FORMATTED AND PROVIDED BY THE BUSINESS OR PERSON THAT MADE THE
25 AUTOMATIC RENEWAL OFFER THAT A CONSUMER CAN SEND WITHOUT ADDITIONAL
26 INFORMATION.

27 (C) (1) A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER OR AN
28 OFFER THAT INCLUDES A FREE GIFT OR TRIAL SHALL INCLUDE CLEAR AND
29 CONSPICUOUS NOTICE, BEFORE THE END OF THE AUTOMATIC RENEWAL OR FREE
30 TRIAL, OF THE FOLLOWING:

31 (I) THAT THE OFFER WILL AUTOMATICALLY RENEW UNLESS
32 THE CONSUMER CANCELS;

1 (II) THE DURATION AND ANY ADDITIONAL TERMS OF THE
2 RENEWAL PERIOD, INCLUDING:

3 1. THE PRICE THAT WILL BE CHARGED AFTER THE
4 RENEWAL OR THE FREE TRIAL ENDS; OR

5 2. THE MANNER IN WHICH THE SUBSCRIPTION OR
6 PURCHASING AGREEMENT WILL CHANGE AT THE END OF THE TRIAL;

7 (III) VARIOUS METHODS BY WHICH A CONSUMER MAY CANCEL
8 THE AUTOMATIC RENEWAL OR CONTINUOUS SERVICE;

9 (IV) IF THE NOTICE IS SENT ELECTRONICALLY, A LINK THAT
10 DIRECTS THE CONSUMER TO THE CANCELLATION PROCESS OR ANOTHER
11 REASONABLY ACCESSIBLE ELECTRONIC METHOD THAT DIRECTS THE CONSUMER TO
12 THE CANCELLATION PROCESS IF NO LINK EXISTS; AND

13 (V) CONTACT INFORMATION FOR THE PERSON OR BUSINESS
14 THAT MADE THE AUTOMATIC RENEWAL OFFER.

15 (2) IF AN AUTOMATIC RENEWAL OFFER INCLUDES A FREE GIFT OR
16 TRIAL, THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL
17 BE PROVIDED NOT LESS THAN 3 DAYS AND NOT MORE THAN 21 DAYS BEFORE THE
18 DATE ON WHICH THE AUTOMATIC RENEWAL IS SCHEDULED TO TAKE EFFECT.

19 (3) IF THE CONSUMER HAS ACCEPTED AN AUTOMATIC RENEWAL
20 OFFER WITH AN INITIAL TERM OF AT LEAST 1 YEAR, THE NOTICE REQUIRED UNDER
21 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED NOT LESS THAN 15 DAYS
22 AND NOT MORE THAN 45 DAYS BEFORE THE DATE ON WHICH THE AUTOMATIC
23 RENEWAL IS SCHEDULED TO TAKE EFFECT.

24 (D) A PERSON THAT MAKES AN AUTOMATIC RENEWAL OFFER MAY NOT
25 AUTOMATICALLY CHARGE THE CONSUMER'S CREDIT CARD UNLESS CLEAR AND
26 CONSPICUOUS NOTICE IS PROVIDED.

27 (E) A VIOLATION OF THIS SECTION IS:

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

30 (2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS
31 CONTAINED IN TITLE 13 OF THIS ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2024.