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February 8, 2023

To: The Honorable Melony Griffith
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 179 – Consumer Protection – Retail Sales – Return and Exchange Policy
(Right to Refund Information Act) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 179 submitted by Senator Cheryl C. Kagan. This bill codifies the Maryland Refund Rule that currently appears in COMAR but makes changes to ensure greater transparency for consumers about a merchant's refund policy prior to the purchase of the goods or services.

The Maryland Refund Rule currently requires a business that imposes any limitations on refunds and exchanges to (1) post the refund policy (a) in the store, or (b) on a label attached to the goods, or (2) provide the policy on the back of the receipt that is given once an item is purchased. Senate Bill 179 continues to permit posting in the store or on a label attached to the goods but prohibits merely placing the policy on the back of the receipt since the consumer would not receive a copy of the merchant's policy prior to purchase, which is when a consumer can make an educated decision as to whether they wish to purchase the item.

If the item is purchased over the internet, most businesses currently provide the policy as part of their terms and conditions, which consumers often do not review prior to purchase. This bill would instead require that online businesses provide the refund policy on a webpage that the consumer must view before completing the transaction. Once again, this provides greater transparency prior to the purchase.

For these reasons, the Consumer Protection Division asks that the Finance Committee return a favorable report on this bill.

cc: The Honorable Cheryl C. Kagan
Members, Finance Committee