



## TESTIMONY FOR SB1040 Consumer Protection - Automatic Renewals

**Bill Sponsor:** Senator Gile  
**Committee:** Finance  
**Organization Submitting:** Maryland Legislative Coalition  
**Person Submitting:** Aileen Alex, co-chair  
**Position:** FAVORABLE

I am submitting this testimony in favor of SB1040 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Because subscription services have gotten so out-of-control, I've started my own password-protected spreadsheet with the login information for my various subscriptions. The purpose is to 1) track what subscriptions I have and 2) facilitate the cancellation process. If it appears that the subscription is difficult to cancel and would automatically renew after I wanted to cancel, like certain gym memberships, I won't sign up(!)

I don't think subscription services understand how much business is lost because of their flawed and aggressive business model. So, while this bill is intended to protect consumers, it also may be beneficial to commerce, protecting businesses from their own bad behavior.

Most importantly, SB1040 requires that businesses provide a notice between 15 and 45 days in advance of automatic renewal to allow the consumer to cancel the service. Furthermore, in this era of credit card fraud, businesses making automatic renewal offers are prohibited from automatically charging the consumer's credit card unless it's done in a clear and conspicuous manner.

It is only fair the consumers be able to cancel subscriptions with the same ease they had in signing up for them without fear of fraud.

Our Coalition supports this bill and recommends a **FAVORABLE** report in committee.