

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 658
Economic Matters

(Delegates Waldstreicher and Braveboy)

Commercial Law - Consumer Protection - Services Provided at No Cost

This bill adds the provision of consumer services, including consumer services provided without remuneration, to the list of acts during which a person may not engage in any unfair or deceptive trade practice, as set forth by the Maryland Consumer Protection Act.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the bill's imposition of existing penalty provisions. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

Local Effect: Potential minimal increase in revenues and expenditures due to the bill's imposition of existing penalty provisions.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: Current statutory law is silent on the applicability of the MCPA prohibitions against unfair and deceptive trade practices with regard to consumer services that are provided for free.

The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims under the Maryland Consumer Protection Act. Upon receiving a complaint, the division must determine

whether there are “reasonable grounds” to believe that a violation of MCPA has occurred. Generally, if the division does find reasonable grounds that a violation has occurred, the division must seek to conciliate the complaint. The division may also issue cease and desist orders, or seek action in court, including an injunction or civil damages, to enforce the Act. Violators of MCPA are subject to • civil penalties of \$1,000 for the first violation and \$5,000 for subsequent violations; and • criminal sanction as a misdemeanor, with a fine of up to \$1,000 and/or up to imprisonment for one year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division);
Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2008
mam/ljm

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