

MAINE STATE LEGISLATURE

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L.D. 1092

DATE: April 30, 2001

(Filing No. S-106)

BUSINESS AND ECONOMIC DEVELOPMENT

Reported by:

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**STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 324, L.D. 1092, Bill, "An Act to Prohibit Negative Option Sales Without a Consumer's Express Agreement"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 10 MRSA c. 205-A is enacted to read:

CHAPTER 205-A

REQUIRED DISCLOSURES TO CONSUMERS

§1210. Charges after trial period

In a sale agreed to by telephone, a merchant may not charge a consumer for a good or service after a trial period unless, prior to the charge, the consumer expressly agrees to be charged for the good or service if the consumer does not cancel the sale. At least 15 days prior to any charge, or 10 days prior to any charge if the good or service for which the consumer will be charged is physically delivered to the consumer on a weekly or more frequent basis, the merchant shall provide a consumer with a clearly written description of the agreement, the good or service being purchased, the amount being charged and the calendar date the consumer will be charged for the good or service if the consumer does not cancel the sale. This notice also must provide the specific steps by which the consumer can cancel the agreement by both mail and telephone. The merchant has the burden of

COMMITTEE AMENDMENT

2 proving that the consumer expressly agreed to this arrangement
3 and that the required written notices were provided within the
4 time limits set forth in this section.

6 **§1210-A. Violation**

8 A merchant who violates this chapter commits an unfair and
9 deceptive act and a violation of Title 5, section 207.'

10 Further amend the bill by inserting at the end before the
11 summary the following:

14 **'FISCAL NOTE**

16 This bill may increase the number of civil suits filed in
17 the court system. The additional workload and administrative
18 costs associated with the minimal number of new cases filed can
19 be absorbed within the budgeted resources of the Judicial
20 Department. The collection of additional filing fees may also
21 increase General Fund revenue by minor amounts.'

24 **SUMMARY**

26 This is the majority report of the Joint Standing Committee
27 on Business and Economic Development. The amendment limits the
28 applicability of this section to sales agreed to by telephone and
29 allows a merchant to provide a written description of the
30 agreement within 10 days of charging the consumer if the services
31 or goods are physically delivered to the consumer on at least a
32 weekly basis. The amendment also requires the merchant to
33 provide the consumer with the calendar date the consumer will be
34 charged for the goods or services. It also adds a fiscal note to
the bill.