

SENATE BILL 862

I3, P1, L6
SB 639/22 – FIN

3lr0705

By: **Senator Kagan**

Introduced and read first time: February 6, 2023

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Security Questions and Measures**

3 FOR the purpose of prohibiting businesses, nonprofit entities, and units of State and local
4 government from using the maiden name of the mother of a customer as a means of
5 safeguarding access to a customer's account; making a violation of this Act by
6 businesses and nonprofit entities an unfair, abusive, or deceptive trade practice that
7 is subject to certain enforcement and penalties under the Maryland Consumer
8 Protection Act; authorizing a person to report a certain violation by a unit of State
9 or local government to the Division of Consumer Protection of the Office of the
10 Attorney General; and generally relating to consumer protection and the securing of
11 customer information.

12 BY repealing and reenacting, with amendments,
13 Article – Commercial Law
14 Section 13–301(14)(xxxv)
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Commercial Law
19 Section 13–301(14)(xxxvi)
20 Annotated Code of Maryland
21 (2013 Replacement Volume and 2022 Supplement)

22 BY adding to
23 Article – Commercial Law
24 Section 13–301(14)(xxxvii) and 14–1327
25 Annotated Code of Maryland
26 (2013 Replacement Volume and 2022 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 (xxxv) Section 11–210 of the Education Article; [or]

8 (xxxvi) Title 14, Subtitle 44 of this article; or

9 **(XXXVII) SECTION 14–1327 OF THIS ARTICLE; OR**

10 **14–1327.**

11 **(A) THIS SECTION DOES NOT APPLY TO A FINANCIAL INSTITUTION AS**
12 **DEFINED IN § 1–101 OF THE FINANCIAL INSTITUTIONS ARTICLE.**

13 **(B) A BUSINESS, A NONPROFIT ENTITY, OR A UNIT OF STATE OR LOCAL**
14 **GOVERNMENT MAY NOT USE THE MAIDEN NAME OF THE MOTHER OF A CUSTOMER**
15 **AS A MEANS OF SAFEGUARDING ACCESS TO THE CUSTOMER’S ACCOUNT.**

16 **(C) A VIOLATION OF THIS SECTION BY A BUSINESS OR A NONPROFIT ENTITY**
17 **IS:**

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

20 **(2) EXCEPT FOR THE PROVISIONS OF § 13–411 OF THIS ARTICLE,**
21 **SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN TITLE**
22 **13 OF THIS ARTICLE.**

23 **(D) A PERSON MAY REPORT A VIOLATION OF THIS SECTION BY A UNIT OF**
24 **STATE OR LOCAL GOVERNMENT TO THE DIVISION OF CONSUMER PROTECTION OF**
25 **THE OFFICE OF THE ATTORNEY GENERAL.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
27 apply only prospectively and may not be applied or interpreted to have any effect on or
28 application to any customer accounts created before January 1, 2024.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2023.