

## H. 286 - An act relating to automatic renewal provisions in consumer contracts

### What problem is this bill addressing?

- Contracts with automatic renewals continuously renew unless the consumer takes action otherwise.
- It puts the burden on the consumer to take action to change this arrangement.
- Furthermore, consumers frequently are not aware of the way that certain companies automatically set up renewing and that it is not made very clear in the beginning that this will be happening.
- Often consumers don't notice the provision as it is not clearly stated in the same size print or is glossed over in phone offer, if even mentioned.
- Many companies do not easily let people opt out of automatic renewal.
- The businesses are relying on people not taking the time to undo this arrangement which can be cumbersome and lengthy.
  
- **What the bill does:** It puts the burden on the consumer to opt into an automatic renewal, if that is what they want, which of course, much of the time, consumers do want because it makes life easier.
- **How the bill does this:**
  - It would make it so that automatic renewals have to be clearly and a contract between a consumer and a seller or a lessor shall not automatically renew upon termination unless:
    - the contract states the terms of the automatic renewal provisions in plain, unambiguous language;
    - the consumer takes an additional, affirmative action to opt in to the automatic renewal provision;
  
  - If the consumer accepts the automatic renewal provision, the seller or lessor provides a written or electronic notice to the consumer not less than 30 days but not more than 60 days before the termination date that includes:
    - the date the contract will terminate and a clear statement that unless the consumer cancels the contract on or before the termination date, the contract will renew automatically
    - the length and any additional terms of the renewal period;
    - one or more methods by which the consumer can cancel the contract; and
    - contact information for the seller or lessor,
  
  - A person who violates these provisions would be considered to have committed an unfair and deceptive act in commerce in violation of section 2453 13 of this title.