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H.327

Introduced by Representative Young of Greensboro

Referred to Committee on

Date:

Subject: Commerce and trade; consumer protection

Statement of purpose of bill as introduced: This bill proposes to clarify how a consumer may consent to an automatic renewal provision in a contract.

An act relating to automatic renewal contract provisions

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. § 2454a is amended to read:

§ 2454a. CONSUMER CONTRACTS; AUTOMATIC RENEWAL

(a) A contract between a consumer and a seller or a lessor with an initial term of one year or longer that renews for a subsequent term that is longer than one month shall not renew automatically unless:

(1) the contract states clearly and conspicuously the terms of the automatic renewal provision in plain, unambiguous language in bold-face type;

(2) ~~in addition to accepting the contract, the consumer takes an affirmative action to opt in to~~ the seller or lessor obtains the consumer's consent to the agreement containing the automatic renewal provision; and

1 (3) ~~if the consumer opts in to the automatic renewal provision,~~ the seller
2 or lessor provides a written or electronic notice to the consumer:

3 (A) not less than 30 days and not more than 60 days before the
4 earliest of:

5 (i) the automatic renewal date;

6 (ii) the termination date; or

7 (iii) the date by which the consumer must provide notice to cancel
8 the contract; and

9 (B) that includes:

10 (i) the date the contract will terminate and a clear statement that
11 the contract will renew automatically unless the consumer cancels the contract
12 on or before the termination date;

13 (ii) the length and any additional terms of the renewal period;

14 (iii) one or more methods by which the consumer can cancel the
15 contract; and

16 (iv) contact information for the seller or lessor.

17 (b) A person who violates a provision of subsection (a) of this section
18 commits an unfair and deceptive act in commerce in violation of section 2453
19 of this title.

1 (c) The provisions of this section do not apply to:

2 (1) a contract between a consumer and a financial institution, as defined
3 in 8 V.S.A. § 11101, or between a consumer and a credit union, as defined in
4 8 V.S.A. § 30101; or

5 (2) a contract for insurance, as defined in 8 V.S.A. § 3301a.

6 Sec. 2. EFFECTIVE DATE

7 This act shall take effect on July 1, 2019 and supersedes contrary provisions
8 of 2018 Acts and Resolves No. 179, Sec. 1.