

March 5, 2007

S 527. CONTRACTS WITH AUTOMATIC RENEWAL CLAUSES. Filed 3/5/07. *TO REQUIRE BUSINESSES THAT SELL PRODUCTS OR SERVICES TO CONSUMERS PURSUANT TO CONTRACTS THAT AUTOMATICALLY RENEW UNLESS THE CONSUMERS CANCEL THE CONTRACTS TO DISCLOSE THE RENEWAL CLAUSES AND, FOR CONTRACTS THAT AUTOMATICALLY RENEW FOR MORE THAN ONE MONTH, TO NOTIFY THE CONSUMERS IN WRITING PRIOR TO THE CANCELLATION DEADLINE IN THE AUTOMATIC RENEWAL CLAUSE.*

To be summarized in tomorrow's *Daily Bulletin*.

Intro. by Berger of Franklin.

GS 75

March 6, 2007

S 527. CONTRACTS WITH AUTOMATIC RENEWAL CLAUSES. Filed 3/5/07. *TO REQUIRE BUSINESSES THAT SELL PRODUCTS OR SERVICES TO CONSUMERS PURSUANT TO CONTRACTS THAT AUTOMATICALLY RENEW UNLESS THE CONSUMERS CANCEL THE CONTRACTS TO DISCLOSE THE RENEWAL CLAUSES AND, FOR CONTRACTS THAT AUTOMATICALLY RENEW FOR MORE THAN ONE MONTH, TO NOTIFY THE CONSUMERS IN WRITING PRIOR TO THE CANCELLATION DEADLINE IN THE AUTOMATIC RENEWAL CLAUSE.*

Enacts new GS 75-40 to require clear and conspicuous disclosure of automatic renewal clauses in consumer contracts. Also requires, for contracts that renew for a specified term of more than one month, that written notice of the automatic renewal be provided to the consumer 30 to 60 days before the cancellation deadline. Provides that failure to comply constitutes an unfair trade practice under GS 75-1 unless the non-compliant person, firm, or corporation demonstrates that it follows routine business practices specified in the bill. Effective October 1, 2007, and applies to contracts entered into on or after that date.

Intro. by Berger of Franklin.

GS 75

May 17, 2007

S 527. CONTRACTS WITH AUTOMATIC RENEWAL CLAUSES. Filed 3/5/07. Senate committee substitute makes the following changes to 1st edition. Revises proposed new GS 75-40 so that it now provides that any business that sells, leases, or offers to sell or lease consumer products or services under a contract that automatically renews unless the consumer cancels it must disclose clearly and conspicuously in the contract or contract offer (1) the automatic renewal clause and (2) how to cancel the contract (these instructions may alternatively be provided at delivery of the goods or services). Failure to comply with the requirements set forth in the statute renders the automatic renewal clause void and unenforceable, unless the failure is the result of an error and the business has provided a full refund or credit for all amounts billed to or paid by the consumer from the date of renewal until the date of termination of the contract or date of subsequent notice of renewal, whichever occurs first. The statute does not apply to banks, trust companies, savings and loan associations, savings banks, or credit unions.

July 10, 2007

S 527. CONTRACTS WITH AUTOMATIC RENEWAL CLAUSES. Filed 3/5/07. House amendment makes the following changes to 2nd edition. Renumbers proposed new GS 75-40 as GS 75-41.

July 28, 2007

SL 2007-288 (S 527). CONTRACTS WITH AUTOMATIC RENEWAL CLAUSES. AN ACT TO REQUIRE BUSINESSES THAT SELL PRODUCTS OR SERVICES TO CONSUMERS PURSUANT TO CONTRACTS THAT AUTOMATICALLY RENEW UNLESS THE CONSUMERS CANCEL THE CONTRACTS TO DISCLOSE THE RENEWAL CLAUSES. Summarized in *Daily Bulletin* 3/6/07, 5/17/07, and 7/10/07. Enacted July 27, 2007. Effective October 1, 2007.

