



General Assembly

January Session, 2003

Raised Bill No. 5811

LCO No. 2531

Referred to Committee on General Law

Introduced by:
(GL)

***AN ACT CONCERNING INTRODUCTORY RATE OFFERS AND
AUTOMATIC RENEWAL OF CONSUMER CONTRACTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-126b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) No person, firm, partnership, association or corporation, or
4 agent or employee thereof, shall, in any manner, or by any means,
5 offer for sale goods, wares or merchandise, where the offer includes
6 the voluntary and unsolicited sending of goods, wares or merchandise
7 not actually ordered or requested by the recipient, either orally or in
8 writing. The receipt of any such unsolicited goods, wares or
9 merchandise shall for all purposes be deemed an unconditional gift to
10 the recipient who may use or dispose of the same in any manner [he]
11 such recipient sees fit without any obligation on [his] such recipient's
12 part to the sender.

13 (b) Any person, firm, partnership, association or corporation that
14 sells or offers to sell any products or services pursuant to a trial offer,
15 or at an introductory rate that will change at the end of the

16 introductory rate period, shall provide the recipient of such products
17 or services with clear and conspicuous written notice that the recipient
18 may cancel such products or services upon the expiration of such trial
19 offer or introductory rate period. Such notice shall include the
20 procedure for such cancellation and shall be provided with any written
21 promotional material for such products or services furnished to the
22 recipient before the start of the trial offer or the introductory rate
23 period or with the initial delivery of such products or services to the
24 recipient. Any such products or services furnished to the recipient after
25 the expiration of such trial offer or introductory rate period, where
26 such trial offer or introductory rate period is cancelled or not otherwise
27 renewed or continued by the recipient, shall be deemed an
28 unconditional gift under subsection (a) of this section. The provisions
29 of this subsection shall not apply to (1) any trial offer or introductory
30 rate offer provided by a public service company, as defined in section
31 16-1, an affiliate or subsidiary of such public service company, or any
32 certified telecommunications provider, as defined in section 16-1, to
33 any consumer with whom such public service company, affiliate or
34 subsidiary, or certified telecommunications provider has an
35 established and ongoing business relationship, provided such public
36 service company, affiliate or subsidiary, or certified
37 telecommunications provider shall inform such consumer of the
38 procedure to cancel such trial offer or to cancel after the expiration of
39 the introductory rate period, and (2) any transaction involving the use
40 of a negative option plan that is governed by 16 CFR Part 425.

41 (c) Any person, firm, partnership, association or corporation that
42 sells or offers to sell any products or services for a specified period of
43 time pursuant to a written contract that contains a provision for
44 automatic renewal of the contract at the end of the period of time
45 specified in the contract shall provide the recipient of such products or
46 services with clear and conspicuous written notice, at least fifteen days
47 but no later than thirty days prior to the end of the specified period of
48 time, that the recipient may cancel such contract. Such notice shall
49 include the procedure for such cancellation. If such contract is of less

50 than fifteen days in duration, said contract shall contain a clear and
51 conspicuous written notice of the right to cancel such contract and the
52 procedure for cancellation. If such notice is not provided to the
53 recipient in accordance with the provisions of this subsection, any such
54 products or services furnished to the recipient after the end of the
55 period of time specified in the contract shall be deemed an
56 unconditional gift under subsection (a) of this section. Nothing in this
57 subsection shall be construed to apply to a health club contract subject
58 to the provisions of section 21a-219.

59 [(c)] (d) A violation of any provision of this section shall be deemed
60 an unfair or deceptive trade practice under subsection (a) of section 42-
61 110b.

This act shall take effect as follows:	
Section 1	October 1, 2003

Statement of Purpose:

To extend disclosure requirements and require clear and conspicuous disclosure of introductory rate trial offers, to specify a method to cancel goods or services once the introductory rate period has expired and to require notice regarding the expiration of consumer contracts and the method of canceling automatic renewals.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]