



General Assembly

**Substitute Bill No. 399**

February Session, 2004

\* SB00399JUD 040704 \*

**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 Section 42-126b of the general statutes is repealed and the  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, 2004*):

3 (a) No person, firm, partnership, association or corporation, or agent  
4 or employee thereof, shall, in any manner, or by any means, offer for  
5 sale goods, wares or merchandise, where the offer includes the  
6 voluntary and unsolicited sending of goods, wares or merchandise not  
7 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 used primarily for  
15 personal, family or household purposes pursuant to a trial offer or at  
16 an introductory rate that will change at the end of the introductory rate  
17 period, shall provide the recipient of such products or services with  
18 clear and conspicuous written notice that the recipient may cancel such  
19 products or services upon the expiration of such trial offer or

20 introductory rate period. Such notice shall include the procedure for  
21 such cancellation and shall be provided with any written promotional  
22 material for such products or services furnished to the recipient before  
23 the start of the trial offer or the introductory rate period or with the  
24 initial delivery of such products or services to the recipient. Any such  
25 products or services furnished to the recipient after the expiration of  
26 such trial offer or introductory rate period, where such trial offer or  
27 introductory rate period is cancelled or not otherwise renewed or  
28 continued by the recipient, shall be deemed an unconditional gift  
29 under subsection (a) of this section. The provisions of this subsection  
30 shall not apply to (1) any trial offer or introductory rate period  
31 provided by a public service company, as defined in section 16-1, as  
32 amended, an affiliate or subsidiary of such public service company, or  
33 any certified telecommunications provider, as defined in section 16-1,  
34 as amended, to any consumer with whom such public service  
35 company, affiliate or subsidiary, or certified telecommunications  
36 provider has an established and ongoing business relationship,  
37 provided such public service company, affiliate or subsidiary, or  
38 certified telecommunications provider shall inform such consumer of  
39 the procedure to cancel such trial offer [, and] or to cancel after the  
40 expiration of the introductory rate period, (2) any transaction  
41 involving the use of a negative option plan that is governed by 16 CFR  
42 Part 425, (3) any contract subject to the provisions of sections 36a-675  
43 to 36a-685, inclusive, and (4) any introductory rate where the rate paid  
44 by the consumer after the end of the introductory rate period has been  
45 clearly and conspicuously disclosed to the consumer in the contract.

46 (c) (1) Any person, firm, partnership, association or corporation that  
47 sells or offers to sell any products or services used primarily for  
48 personal, family or household purposes for a specified period of time  
49 of more than one hundred eighty days pursuant to a written contract  
50 that contains a provision for automatic renewal of the contract for a  
51 period of time of more than thirty-one days at the end of the period of  
52 time specified in the contract shall provide the recipient of such  
53 products or services with a clear and conspicuous written notice that

54 the recipient may cancel such contract. Such notice shall include the  
55 procedure for such cancellation. Such notice shall be given at least  
56 fifteen days but not more than sixty days prior to the end of such  
57 specified period of time.

58 (2) Any person, firm, partnership, association or corporation that  
59 sells or offers to sell any products or services used primarily for  
60 personal, family or household purposes for a specified period of time  
61 of one hundred eighty days or less pursuant to a written contract that  
62 contains a provision for automatic renewal of the contract for a period  
63 of time of more than thirty-one days at the end of the period of time  
64 specified in the contract, shall include in such contract a clear and  
65 conspicuous written notice that the recipient of such products or  
66 services may cancel such contract and the procedure for such  
67 cancellation, provided the recipient shall not be required to exercise  
68 such right of cancellation more than sixty days prior to the expiration  
69 of the specified period of time.

70 (3) If such notice is not provided to the recipient in accordance with  
71 subdivision (1) of this subsection or included in the contract in  
72 accordance with subdivision (2) of this subsection, as the case may be,  
73 any such products or services furnished to the recipient after the  
74 expiration of the period of time specified in the contract shall be  
75 deemed an unconditional gift under subsection (a) of this section.

76 (4) Nothing in this subsection shall be construed to apply to a health  
77 club contract subject to the provisions of section 21a-219 or a contract  
78 subject to the provisions of sections 36a-675 to 36a-685, inclusive.

79 (d) The provisions of this section shall not apply to any banking,  
80 insurance or securities product or service, the provision of which is  
81 subject to regulation or licensing by the state or a federal agency.

82 [(c)] (e) A violation of any provision of this section shall be deemed  
83 an unfair or deceptive trade practice under subsection (a) of section 42-  
84 110b.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>

**JUD**      *Joint Favorable Subst.*