



**Substitute House Bill No. 7204**

**Public Act No. 07-215**

**AN ACT CONCERNING THE ENFORCEABILITY OF AUTOMATIC CONTRACT RENEWAL PROVISIONS.**

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

Section 1. (NEW) (*Effective October 1, 2007, and applicable to contracts entered into on and after said date*) (a) No provision of a contract for refuse removal or disposal which states that the term of such contract shall be deemed renewed for a specified additional period of time shall be enforceable unless the person against whom such provision is to be enforced initialed or signed a conspicuous statement immediately following such provision, stating, in boldface type at least twelve points in size: "I acknowledge that this contract contains an AUTOMATIC RENEWAL provision." The provisions of this subsection apply to written contracts and shall also apply to contracts meeting the requirements of the Connecticut Uniform Electronic Transactions Act, sections 1-266 to 1-286, inclusive, of the general statutes.

(b) The provisions of this section shall not apply to: (1) Any contract in which the automatic renewal period specified is thirty-one days or less and can be cancelled at any time without penalty or damages, or (2) a written contract subject to the provisions of section 42-126b of the general statutes, as amended by this act.

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Sec. 2. Subsection (c) of section 42-126b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(c) (1) Any person, firm, partnership, association or corporation that sells or offers to sell any products or services used primarily for personal, family or household purposes for a specified period of time of more than one hundred eighty days pursuant to a written contract that contains a provision for automatic renewal of the contract for a period of time of more than thirty-one days at the end of the period of time specified in the contract shall provide the recipient of such products or services with a clear and conspicuous written notice that the recipient may cancel such contract. Such notice shall include the procedure for such cancellation. Such notice shall be given at least fifteen days but not more than sixty days prior to: [the end of such specified period of time] (A) The date upon which the contract will be renewed, or (B) the expiration of the time period for cancellation by the recipient, whichever time period is earlier. Mailing of the written notice required by this subdivision by United States mail to the address of the recipient listed in the contract shall satisfy the notice requirements of this subdivision. If a contract subject to the provisions of this subsection is entered into electronically or the consumer agrees to receive notice electronically, the written notice required by this subsection may be transmitted by electronic mail.

(2) Any person, firm, partnership, association or corporation that sells or offers to sell any products or services used primarily for personal, family or household purposes for a specified period of time of one hundred eighty days or less pursuant to a written contract that contains a provision for automatic renewal of the contract for a period of time of more than thirty-one days at the end of the period of time specified in the contract, shall include in such contract a clear and conspicuous written notice that the recipient of such products or

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services may cancel such contract and the procedure for such cancellation, provided the recipient shall not be required to exercise such right of cancellation more than sixty days prior to the expiration of the specified period of time.

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

(4) Nothing in this subsection shall be construed to apply to a health club contract subject to the provisions of section 21a-219, a contract subject to the provisions of sections 36a-675 to 36a-685, inclusive, or any contract between a condominium or housing association and a person other than an individual.

Approved July 5, 2007