



General Assembly

Amendment

January Session, 2007

LCO No. 7240

HB0720407240HDO

Offered by:

REP. STONE, 9th Dist.
REP. TABORSAK, 109th Dist.
REP. CHRIST, 11th Dist.
REP. GREENE, 105th Dist.

To: Subst. House Bill No. 7204

File No. 648

Cal. No. 118

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2007*) (a) As used in this
4 section, "person" means an individual, firm, company, partnership or
5 corporation.

6 (b) No provision of a contract for service, maintenance or repair to
7 or for any real property which states that the term of such contract
8 shall be deemed renewed for a specified additional period of time shall
9 be enforceable unless such contract contains: (1) A clear and
10 conspicuous written notice that the recipient of such service,
11 maintenance or repair may cancel such contract, (2) the procedure for
12 such cancellation, and (3) a statement that the recipient of such notice

13 shall not be required to exercise such right of cancellation more than
14 sixty days prior to the expiration of the initial term of the contract.

15 (c) No provision of a contract for service, maintenance or repair to
16 or for any real property which states that the term of the contract shall
17 be deemed renewed for a specified additional period of time shall be
18 enforceable unless the provider of such service, maintenance or repair
19 provides the recipient of such service, maintenance or repair a clear
20 and conspicuous written notice that the recipient may cancel such
21 contract. Such written notice shall state the procedure for such
22 cancellation and the terms of such period of automatic renewal in a
23 clear and conspicuous manner. Such notice shall be given at least thirty
24 days but not more than sixty days prior to: (1) The date upon which
25 the contract will be renewed, or (2) the expiration of the time period
26 for cancellation by the recipient, whichever time period is earlier.
27 Mailing of the written notice required by this subsection by first class
28 mail to the address of the recipient listed in the contract shall satisfy
29 the notice requirements of this subsection.

30 (d) The provisions of this section shall not apply to: (1) Any
31 banking, insurance or securities product or service, the provision of
32 which is subject to regulation or licensing by the state or the federal
33 government, (2) any contract for or pertaining to utilities, (3) any
34 contract in which the automatic renewal period specified is thirty-one
35 days or less, (4) any contract entered into before the effective date of
36 this section, or (5) a written contract subject to the provisions of section
37 42-126b of the general statutes, as amended by this act.

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

41 (c) (1) Any person, firm, partnership, association or corporation that
42 sells or offers to sell any products or services used primarily for
43 personal, family or household purposes for a specified period of time
44 of more than one hundred eighty days pursuant to a written contract

45 that contains a provision for automatic renewal of the contract for a
46 period of time of more than thirty-one days at the end of the period of
47 time specified in the contract shall provide the recipient of such
48 products or services with a clear and conspicuous written notice that
49 the recipient may cancel such contract. Such notice shall include the
50 procedure for such cancellation. Such notice shall be given at least
51 [fifteen] thirty days but not more than sixty days prior to: [the end of
52 such specified period of time] (1) The date upon which the contract
53 will be renewed, or (2) the expiration of the time period for
54 cancellation by the recipient, whichever time period is earlier. Mailing
55 of the written notice required by this subdivision by first class mail to
56 the address of the recipient listed in the contract shall satisfy the notice
57 requirements of this subdivision.

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, a contract

78 subject to the provisions of sections 36a-675 to 36a-685, inclusive, or
79 any contract between a condominium or housing association and a
80 person other than an individual."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	New section
Sec. 2	<i>October 1, 2007</i>	42-126b(c)