



House of Representatives

File No. 857

General Assembly

January Session, 2011

(Reprint of File No. 174)

Substitute House Bill No. 5308
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 31, 2011

**AN ACT CONCERNING REFUSE REMOVAL OR DISPOSAL
COMMERCIAL CONTRACT RENEWALS.**

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

1 Section 1. Section 42-158aa of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) No provision of a commercial contract for refuse removal or
4 disposal which states that the term of such contract shall be deemed
5 renewed for a specified additional period of time shall be enforceable
6 unless the person against whom such provision is to be enforced
7 initialed or signed a conspicuous statement immediately following
8 such provision, stating, in boldface type at least twelve points in size:
9 "I acknowledge that this contract contains an AUTOMATIC
10 RENEWAL provision." The provisions of this subsection apply to
11 written contracts and shall also apply to contracts meeting the
12 requirements of the Connecticut Uniform Electronic Transactions Act,
13 sections 1-266 to 1-286, inclusive.

14 (b) The provisions of this section shall not apply to [: (1) Any] any

15 contract in which the automatic renewal period specified is thirty-one
 16 days or less and can be cancelled at any time without penalty or
 17 damages. [, or (2) a written contract subject to the provisions of section
 18 42-126b.]

19 (c) A renewal provision of more than one year in a commercial
 20 contract for refuse removal or disposal entered into on or after
 21 October 1, 2011, shall not be enforceable unless the provider of such
 22 refuse removal or disposal service has sent notice by written or
 23 electronic mail of such contract renewal to the customer not later than
 24 ninety days prior to the expiration date of the contract being renewed.
 25 Such notice shall provide the customer with the opportunity to cancel
 26 such refuse removal or disposal contract at the end of the initial
 27 contract term. No such renewal provision shall be enforceable unless
 28 the customer agrees to such renewal, in writing or by electronic mail,
 29 after receiving such notice.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2011	42-158aa

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the Department of Consumer Protection as the bill contains no enforcement provisions.

House "A" (LCO 6181) made technical changes and resulted in no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5308 (as amended by House "A")*****AN ACT CONCERNING REFUSE REMOVAL OR DISPOSAL CONTRACT RENEWALS.****SUMMARY:**

This bill (1) applies current law's refuse contract renewal requirements to commercial contracts only, (2) makes renewal provisions of more than one year in commercial contracts unenforceable unless notice is provided, and (3) makes a technical change.

*House Amendment "A" (1) applies refuse contract renewal requirements to commercial contracts only and (2) specifies that a contract's renewal provision is unenforceable, not the entire contract.

EFFECTIVE DATE: October 1, 2011

COMMERCIAL REFUSE CONTRACTS

The bill applies current law's refuse contract renewal requirements to commercial contracts only. Under current law, provisions in commercial or consumer refuse removal or disposal contracts that renew a contract for a specified amount of time are unenforceable unless the person against whom the contract is to be enforced initialed or signed a conspicuous statement immediately following the renewal provision stating, "I acknowledge that this contract contains an AUTOMATIC RENEWAL provision." The statement must be in 12-point boldface type. The requirement applies to written contracts and electronic contracts that comply with the Connecticut Uniform Electronic Transactions Act.

RENEWAL PROVISION

The bill makes a renewal provision of more than one year in commercial trash removal or disposal contracts unenforceable unless notice is provided. It requires a trash disposal company that has such a provision in its contract to send its customers notice in writing or electronically at least 90 days before the contract expires giving them the option to cancel the contract at the end of the initial term. The contract cannot be renewed unless a customer agrees to renew it in writing or by electronic mail.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 3 (03/10/2011)

Judiciary Committee

Joint Favorable

Yea 33 Nay 1 (04/26/2011)