



General Assembly

February Session, 2012

Raised Bill No. 316

LCO No. 1628

01628 _____ GL_

Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING NOTIFICATION OF THE EXPIRATION OF TRIAL OFFERS, INTRODUCTORY RATES AND AUTOMATIC CONTRACT RENEWALS.

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 Section 42-126b of the general statutes is repealed and the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, 2012*):

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 such
11 recipient sees fit without any obligation on such recipient's part to the
12 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
23 [before] at least fifteen days but not more than sixty days prior to the
24 start of the trial offer or the introductory rate period [or] and with the
25 initial delivery of such products or services to the recipient. Any such
26 products or services furnished to the recipient after the expiration of
27 such trial offer or introductory rate period, where such trial offer or
28 introductory rate period is cancelled or not otherwise renewed or
29 continued by the recipient, shall be deemed an unconditional gift
30 under subsection (a) of this section. The provisions of this subsection
31 shall not apply to (1) any trial offer or introductory rate period
32 provided by a public service company, as defined in section 16-1, an
33 affiliate or subsidiary of such public service company, [or any certified
34 telecommunications provider, as defined in section 16-1,] to any
35 consumer with whom such public service company, affiliate or
36 subsidiary [, or certified telecommunications provider] has an
37 established and ongoing business relationship, provided such public
38 service company, affiliate or subsidiary [, or certified
39 telecommunications provider] shall inform such consumer of the
40 procedure to cancel such trial offer or to cancel after the expiration of
41 the introductory rate period, (2) any transaction involving the use of a
42 negative option plan that is governed by 16 CFR Part 425, and (3) any
43 contract subject to the provisions of sections 36a-675 to 36a-685,
44 inclusive. [, and (4) any introductory rate where the rate paid by the
45 consumer after the end of the introductory rate period has been clearly
46 and conspicuously disclosed to the consumer in the contract.]

47 (c) (1) Any person, firm, partnership, association or corporation that
48 sells or offers to sell any products or services used primarily for

49 personal, family or household purposes for a specified period of time
50 [of more than one hundred eighty days] pursuant to a written contract
51 that contains a provision for automatic renewal of the contract [for a
52 period of time of more than thirty-one days] at the end of the period of
53 time specified in the contract shall provide the recipient of such
54 products or services with a clear and conspicuous written notice that
55 the recipient may cancel such contract. Such notice shall include the
56 procedure for such cancellation. Such notice shall be given at least
57 fifteen days but not more than sixty days prior to: (A) The date upon
58 which the contract will be renewed, or (B) the expiration of the time
59 period for cancellation by the recipient, whichever time period is
60 earlier. Mailing of the written notice required by this subdivision by
61 United States mail to the address of the recipient listed in the contract
62 shall satisfy the notice requirements of this subdivision. If a contract
63 subject to the provisions of this subsection is entered into electronically
64 or the consumer agrees to receive notice electronically, the written
65 notice required by this subsection may be transmitted by electronic
66 mail.

67 [(2) Any person, firm, partnership, association or corporation that
68 sells or offers to sell any products or services used primarily for
69 personal, family or household purposes for a specified period of time
70 of one hundred eighty days or less pursuant to a written contract that
71 contains a provision for automatic renewal of the contract for a period
72 of time of more than thirty-one days at the end of the period of time
73 specified in the contract, shall include in such contract a clear and
74 conspicuous written notice that the recipient of such products or
75 services may cancel such contract and the procedure for such
76 cancellation, provided the recipient shall not be required to exercise
77 such right of cancellation more than sixty days prior to the expiration
78 of the specified period of time.]

79 [(3)] (2) If such notice is not provided to the recipient in accordance
80 with subdivision (1) of this subsection, [or included in the contract in
81 accordance with subdivision (2) of this subsection, as the case may be,]

82 any such products or services furnished to the recipient after the
83 expiration of the period of time specified in the contract shall be
84 deemed an unconditional gift under subsection (a) of this section.

85 [(4)] (3) Nothing in this subsection shall be construed to apply to a
86 health club contract subject to the provisions of section 21a-219, a
87 contract subject to the provisions of sections 36a-675 to 36a-685,
88 inclusive, or any contract between a condominium or housing
89 association and a person other than an individual.

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

93 (e) A violation of any provision of this section shall be deemed an
94 unfair or deceptive trade practice under subsection (a) of section 42-
95 110b.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	42-126b

Statement of Purpose:

To require notification of the expiration of introductory rates, trial periods and automatic subscription 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.]