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S.330

Introduced by Senators Sirotkin, Baruth and Clarkson

Referred to Committee on

Date:

Subject: Commerce and trade; consumer protection

Statement of purpose of bill as introduced: This bill proposes to regulate contracts that renew automatically.

An act relating to regulating contracts that renew automatically

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. § 2454a is amended to read:

§ 2454a. CONSUMER CONTRACTS; AUTOMATIC RENEWAL

(a) A contract between a consumer and a seller or a lessor with an initial term of one year or longer that renews ~~for a subsequent term that is longer than one month~~ automatically for any period shall not renew automatically unless:

(1) the contract states clearly and conspicuously the terms of the automatic renewal provision in plain, unambiguous language in ~~bold face~~ boldface type;

(2) in addition to accepting the contract, the consumer takes an affirmative action to opt in to the automatic renewal provision; and

1 (3) if the consumer opts in to the automatic renewal provision, the seller
2 or lessor provides a written or electronic notice to the consumer:

3 (A) not less than 30 days and not more than 60 days before the
4 earliest of:

5 (i) the automatic renewal date;

6 (ii) the termination date; or

7 (iii) the date by which the consumer must provide notice to cancel
8 the contract; and

9 (B) that includes:

10 (i) the date the contract will terminate and a clear statement that
11 the contract will renew automatically unless the consumer cancels the contract
12 on or before the termination date;

13 (ii) the length and any additional terms of the renewal period;

14 (iii) one or more methods by which the consumer can cancel the
15 contract; and

16 (iv) contact information for the seller or lessor.

17 (b) A seller or lessor under a contract subject to subsection (a) of this
18 section shall:

19 (1) provide to the consumer a toll-free telephone number, e-mail
20 address, a postal address if the seller or lessor directly bills the consumer, or

1 another cost-effective, timely, and easy-to-use mechanism for canceling the
2 contract; and

3 (2) if the consumer accepted the contract online, permit the consumer to
4 terminate the contract exclusively online, which may include a termination e-
5 mail formatted and provided by the seller or lessor that the consumer can send
6 without additional information.

7 (c) A person who violates a provision of subsection (a) of this section
8 commits an unfair and deceptive act in commerce in violation of section 2453
9 of this title.

10 ~~(e)~~(d) The provisions of this section do not apply to:

11 (1) a contract between a consumer and a financial institution, as defined
12 in 8 V.S.A. § 11101, or between a consumer and a credit union, as defined in
13 8 V.S.A. § 30101; or

14 (2) a contract for insurance, as defined in 8 V.S.A. § 3301a.

15 Sec. 2. EFFECTIVE DATE

16 This act shall take effect on July 1, 2020.