

HOUSE BILL NO. HB0227

Automatic renewal of consumer contracts.

Sponsored by: Representative(s) Sommers, Barlow, Crank, Halverson, Kirkbride, Larsen, Lindholm and Zwonitzer and Senator(s) Baldwin and Christensen

A BILL

for

1 AN ACT relating to consumer protection; requiring notice
2 and disclosure of automatic renewal provisions in consumer
3 contracts as specified; providing violations constitute a
4 deceptive trade practice under the Wyoming Consumer
5 Protection Act; providing exemptions; and providing for an
6 effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 40-12-701 through 40-12-704 are
11 created to read:

12

13

ARTICLE 7

14

AUTOMATIC CONSUMER CONTRACT RENEWAL

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2 **40-12-701. Definitions.**

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4 (a) As used in this article:

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6 (i) "Consumer" means an individual or a person
7 authorized to act on behalf of an individual who enters
8 into a contract primarily for personal, family or household
9 purposes;

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11 (ii) "Consumer contract" means a written
12 agreement between two (2) or more parties for the sale or
13 distribution of merchandise where a party is a consumer;

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15 (iii) "Merchandise" includes any service or any
16 property, tangible or intangible, real, personal or mixed,
17 or any other object, ware, good, commodity or article of
18 value wherever situated.

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20 **40-12-702. Automatic renewal consumer contracts;**
21 **requirements.**

22

1 (a) A consumer contract that automatically renews
2 unless the consumer cancels the contract shall clearly and
3 conspicuously disclose the automatic renewal terms and the
4 cancellation procedure.

5
6 (b) For any consumer contract with a term of twelve
7 (12) months or more where the contract automatically renews
8 for a term of more than one (1) month unless the consumer
9 cancels the contract, the consumer shall be provided
10 written notice of the automatic renewal term no less than
11 thirty (30) days and no more than sixty (60) days before
12 the cancellation deadline. The written notice shall:

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14 (i) Disclose clearly and conspicuously that
15 unless the consumer cancels the contract, the contract will
16 automatically renew;

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18 (ii) Disclose where the consumer can obtain
19 details of the automatic renewal provision and contract
20 cancellation procedure; and

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1 (iii) Be delivered to an electronic mail address
2 if the consumer has consented and requested to receive
3 written notice by electronic mail.

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5 **40-12-703. Violations.**

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7 (a) Except as provided in subsection (b) of this
8 section, a violation of this article constitutes an
9 unlawful deceptive trade practice under the Wyoming
10 Consumer Protection Act.

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12 (b) It is not a violation of this article if the
13 person demonstrates as part of its routine business
14 practice:

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16 (i) The person established and implemented
17 written procedures to comply with this article and enforces
18 compliance with the procedures;

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20 (ii) Any failure to comply with this article is
21 the result of unintentional error; and

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1 (iii) Where an error caused a failure to comply
2 with this article, the person provided a full refund or
3 credit for all amounts billed to or paid by the consumer
4 from the date of the renewal until the date of the
5 termination of the account or the date of the subsequent
6 notice of renewal, whichever occurs first.

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8 **40-12-704. Exemption.**

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10 Nothing in this article shall apply to a contract that is
11 extended beyond the original term of the contract as the
12 result of the consumer's initiation of a change in the
13 original contract terms.

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15 **Section 2.** W.S. 40-12-105(a) by creating a new
16 paragraph (xvii) is amended to read:

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18 **40-12-105. Unlawful practices.**

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20 (a) A person engages in a deceptive trade practice
21 unlawful under this act when, in the course of his business
22 and in connection with a consumer transaction, he
23 knowingly:

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(xvii) Violates W.S. 40-12-702.

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Section 3. This act shall apply to consumer contracts entered into on or after July 1, 2017.

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Section 4. This act is effective July 1, 2017.

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9

(END)