

HB1372/983597/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1372  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “written” in line 8 down through the semicolon in line 14 and substitute “means for a consumer to cancel a consumer contract;”; in line 14, after “a” insert “certain”; and in line 16, after “provisions” insert “, except under certain circumstances”.

AMENDMENT NO. 2

On pages 2 through 4, strike in their entirety the lines beginning with line 12 on page 2 through line 3 on page 4, inclusive, and substitute:

**“(B) THIS SECTION APPLIES TO ANY PERSON THAT SELLS OR LEASES OR OFFERS TO SELL OR LEASE ANY CONSUMER GOODS, CONSUMER REALTY, OR CONSUMER SERVICES TO A CONSUMER UNDER A CONSUMER CONTRACT THAT AUTOMATICALLY RENEWS.**

**(C) A CONSUMER CONTRACT MAY NOT CONTAIN A RENEWAL TERM UNLESS:**

**(1) (I) THE CONSUMER CONTRACT CLEARLY AND CONSPICUOUSLY DISCLOSES THAT THE CONSUMER CONTRACT WILL AUTOMATICALLY RENEW UNLESS THE CONSUMER CANCELS THE CONTRACT; AND**

**(II) IF THE CONSUMER CONTRACT IS A VERBAL CONTRACT, THE CONSUMER CONTRACT DISCLOSES THE RENEWAL TERM CLOSE IN TIME TO THE REQUEST FOR CONSENT TO THE CONSUMER CONTRACT; AND**

(Over)

**(2) THE CONSUMER AFFIRMATIVELY CONSENTS TO THE RENEWAL TERM BEFORE THE CONSUMER IS CHARGED A FEE UNDER THE CONTRACT.**

**(D) THE DISCLOSURE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION SHALL INCLUDE:**

**(1) THE AUTOMATIC RENEWAL OFFER TERMS;**

**(2) THE CANCELLATION POLICY;**

**(3) THE PROCEDURES FOR CANCELING THE CONTRACT; AND**

**(4) IF THE CONSUMER CONTRACT INCLUDES A FREE TRIAL, PROCEDURES FOR CANCELING THE CONTRACT BEFORE THE CONSUMER IS CHARGED A FEE.**

**(E) IF A PERSON SELLS OR LEASES OR OFFERS TO SELL OR LEASE ANY CONSUMER GOODS, CONSUMER REALTY, OR CONSUMER SERVICES TO A CONSUMER UNDER A CONSUMER CONTRACT THAT AUTOMATICALLY RENEWS, THE PERSON SHALL PROVIDE A COST-EFFECTIVE, TIMELY, AND WIDELY AVAILABLE MECHANISM FOR CANCELING THE CONSUMER CONTRACT, INCLUDING:**

**(1) A TOLL-FREE TELEPHONE NUMBER;**

**(2) AN E-MAIL ADDRESS; OR**

**(3) A POSTAL ADDRESS.**

**(F) IF A RENEWAL TERM CONTAINED IN A CONSUMER CONTRACT IS MATERIALLY CHANGED, THE PERSON SHALL:**

**(1) NOTIFY THE CONSUMER OF THE MATERIAL CHANGE IN A CLEAR AND CONSPICUOUS MANNER; AND**

**(2) PROVIDE PROCEDURES FOR CANCELING THE CONTRACT.”.**

On page 4, in line 4, strike “A” and substitute “**UNLESS THE PERSON ATTEMPTED IN GOOD FAITH TO COMPLY WITH THIS SECTION, A**”.