

HOUSE No. 3471

The Commonwealth of Massachusetts

PRESENTED BY:

Paul McMurtry

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing automatic contract renewal.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Paul McMurtry</i>	<i>11th Norfolk</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>
<i>Bud Williams</i>	<i>11th Hampden</i>

HOUSE No. 3471

By Mr. McMurtry of Dedham, a petition (accompanied by bill, House, No. 3471) of Paul McMurtry, Steven S. Howitt and Bud Williams relative to automatic contract renewals. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act establishing automatic contract renewal.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 93A of the General Laws is hereby amended by adding the following section:-

2 Section 12 (a) Any person that sells or offers to sell any products or services to a
3 consumer pursuant to a contract, where such contract automatically renews unless the consumer
4 cancels the contract, shall disclose the automatic renewal clause clearly and conspicuously in the
5 contract, including the cancellation procedure. For the purposes of this section the term
6 “contract” shall mean a written agreement between 2 or more parties.

7 (b) Any person that sells or offers to sell any products or services to a consumer pursuant
8 to a contract, where such contract term is a specified term of 12 months or more, and where such
9 contract automatically renews for a specified term of more than 1 month unless the consumer
10 cancels the contract, shall notify the consumer in writing of the automatic renewal. Written
11 notice shall be provided to the consumer no less than 30 days and no more than 60 days before

12 the cancellation deadline pursuant to the automatic renewal clause. Such written notice shall
13 disclose clearly and conspicuously:

14 (i) that unless the consumer cancels the contract it will automatically renew; and

15 (ii) where the consumer can obtain details of the automatic renewal provision and
16 cancellation procedure.

17 (c) A violation of this section shall be prima facie evidence that a person has engaged in
18 an unfair or deceptive act or practice in the conduct of trade or commerce pursuant to section 2;
19 provided, however, that a person shall not be liable for a violation of this chapter if such person
20 demonstrates that, as part of its routine business practice:

21 (i) it has established and implemented written procedures to comply with this section and
22 enforces compliance with the procedures;

23 (ii) any failure to comply with this section is the result of error; and

24 (iii) where an error has caused a failure to comply with this section, the person provides a
25 full refund or credit for all amounts billed to or paid by the consumer from the date of the
26 renewal until the date of the termination of the account, or the date of the subsequent notice of
27 renewal, whichever occurs first.