

HOUSE BILL 77

By Gilmore

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18, Part 1 and Title 62, Chapter 32, Part 3, relative to alarm systems.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by adding the following language as a new section:

§ 47-18-130.

(a) All alarm systems agreements shall:

(1) Be in writing;

(2) Be signed by the buyer;

(3) Designate the date on which the buyer actually signed the agreement; and

(4) Contain in boldface type of at least fourteen (14) points, in immediate proximity to the space reserved for the signature of the buyer, the following statement:

TERM OF AGREEMENT

THE TERM OF THIS AGREEMENT IS ____.

BUYER'S RIGHT TO CANCEL

YOU (THE BUYER) MAY CANCEL THIS AGREEMENT BY SENDING NOTICE OF YOUR WISH TO CANCEL TO THE ALARM SYSTEMS CONTRACTOR BEFORE MIDNIGHT OF THE THIRD DAY (EXCLUDING SATURDAYS,

SUNDAYS, AND LEGAL HOLIDAYS) AFTER THE DAY YOU SIGNED THE AGREEMENT. WITHIN FOURTEEN (14) DAYS AFTER RECEIPT OF THE NOTICE OF CANCELLATION, THE ALARM SYSTEMS CONTRACTOR WILL RETURN ANY PAYMENTS MADE AND ANY NOTE EXECUTED BY YOU IN CONNECTION WITH THE AGREEMENT.

YOU (OR A PERSON AUTHORIZED BY LAW TO REPRESENT YOU OR YOUR ESTATE UPON INCAPACITY OR DEATH) MAY CANCEL THIS AGREEMENT BY SENDING NOTICE OF YOUR WISH TO CANCEL AND PROOF OF RELOCATION OR DEATH TO THE ALARM SYSTEMS CONTRACTOR IF YOU ARE RELOCATED TO AN ASSISTED LIVING, HOSPITAL OR NURSING HOME FACILITY OR UPON YOUR DEATH. SUCH CANCELLATION SHALL TAKE EFFECT WITHIN THIRTY DAYS OF THE DATE THE ALARM SYSTEMS CONTRACTOR RECEIVES THE NOTICE.

THESE NOTICES MUST BE SENT BY REGISTERED MAIL TO THE FOLLOWING ADDRESS:

- (b) No alarm systems agreement shall:
 - (1) Contain an automatic renewal clause; however, such agreement may provide for the buyer to exercise renewals of the agreement in writing no sooner than forty-five (45) days prior to the end of the original term of the agreement and

any additional renewal term. No renewal shall be valid for a term longer than twelve (12) months.

(2) Any renewal right granted under such agreement shall expire on the final day of the term of the original agreement and any additional renewal term. However, the buyer shall have a thirty-day grace period from the date of the expiration of the renewal right in which to exercise any renewal right granted to the buyer under the agreement. The alarm systems contractor shall have the right to charge a late fee of up to fifty dollars (\$50.00) if a buyer exercises a renewal right pursuant to this subdivision (b)(2).

(c) Any provision in an alarm systems agreement, or in any document signed by the buyer in connection with such agreement, whereby the buyer agrees to waive any requirement of this section, shall be void as contrary to public policy.

(d) For purposes of this section:

(1) "Alarm system", "alarm systems contractor", "burglar alarm system", "fire alarm system", "installation", and "monitoring" are defined as provided in § 62-32-303; and

(2) "Alarm systems agreement" means an agreement between a buyer and an alarm systems contractor governing the parties' respective rights and obligations relating to:

(A) The sale of an alarm system for a residence and the provision of monitoring services for such alarm system; or

(B) The provision of monitoring services for an alarm system for a residence.

(e) This section does not apply to the persons, firms, associations or corporations excepted from the requirements of the Alarm Contractors Licensing Act of

1991, compiled in title 62, chapter, 32, part 3, by § 62-32-305; provided, however, that this section does apply to the persons, firms, associations or corporations excepted by § 62-32-305(7) and (11)(B).

(f) A violation of this section constitutes a violation of the Tennessee Consumer Protection Act of 1977, compiled in this part. In addition, a violation of this section by a person subject to the provisions of the Alarm Contractors Licensing Act of 1991, compiled in title 62, chapter, 32, part 3, constitutes a violation of such act.

SECTION 2. The division and the state board for licensing alarm systems contractors are authorized to promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to effectuate the purposes of this section

SECTION 3. This act shall take effect July 1, 2010, the public welfare requiring it, and shall apply to contracts entered into or renewed on or after such date.