

1 A bill to be entitled
 2 An act relating to automatic renewal of service contracts;
 3 providing definitions; requiring persons, firms, or
 4 corporations that sell products or services to consumers
 5 pursuant to certain contracts to disclose automatic
 6 renewal provisions; providing disclosure requirements;
 7 providing exceptions to the disclosure requirements;
 8 providing that certain violations will render an automatic
 9 renewal provision void and unenforceable; providing an
 10 effective date.

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 12 Be It Enacted by the Legislature of the State of Florida:

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 14 Section 1. (1) DEFINITIONS.--As used in this act:

15 (a) "Automatic renewal provision" means a provision under
 16 which a service contract is renewed for a specified period if
 17 the renewal causes the service contract to be in effect more
 18 than 6 months after the day of the initiation of the service
 19 contract. Such renewal is effective unless the consumer gives
 20 notice to the seller of the consumer's intention to terminate
 21 the service contract.

22 (b) "Consumer" means a person receiving service,
 23 maintenance, or repair under a service contract. The term does
 24 not include a person engaged in business for profit if the
 25 person enters into the service contract as part of the person's
 26 business activities.

27 (c) "Seller" means a person providing service,
 28 maintenance, or repair under a service contract.

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29 (2) SERVICE CONTRACTS WITH AUTOMATIC RENEWAL PROVISIONS.--

30 (a) Any person, firm, partnership, association, or
31 corporation engaged in commerce that sells, leases, or offers to
32 sell or lease any product or service to a consumer pursuant to a
33 service contract that automatically renews unless the consumer
34 cancels the contract shall disclose the automatic renewal
35 provision clearly and conspicuously in the contract or contract
36 offer.

37 (b) Any person, firm, partnership, association, or
38 corporation that sells or offers to sell any product or service
39 to a consumer pursuant to a service contract the term of which
40 is a specified term of 12 months or more and that automatically
41 renews for a specified term of more than 1 month unless the
42 consumer cancels the contract shall notify the consumer in
43 writing of the automatic renewal provision. Written notice shall
44 be provided to the consumer no less than 30 days and no more
45 than 60 days before the cancellation deadline pursuant to the
46 automatic renewal provision. Such written notice shall disclose
47 clearly and conspicuously:

48 1. That unless the consumer cancels the contract, the
49 contract will automatically renew.

50 2. Methods by which the consumer may obtain details of the
51 automatic renewal provision and cancellation procedure, whether
52 by contacting the seller at a specified telephone number or
53 address, by referring to the contract, or by any other method.

54 (c) A person, firm, partnership, association, or
55 corporation that fails to comply with the requirements of this
56 subsection is in violation of this subsection unless the person,

57 firm, partnership, association, or corporation demonstrates
58 that:

59 1. As part of its routine business practice, it has
60 established and implemented written procedures to comply with
61 this section and enforces compliance with the procedures.

62 2. Any failure to comply with this subsection is the
63 result of error.

64 3. As part of its routine business practice, where an
65 error has caused the failure to comply with this subsection, it
66 provides a full refund or credit for all amounts billed to or
67 paid by the consumer from the date of the renewal until the date
68 of the termination of the contract or the date of the subsequent
69 notice of renewal, whichever occurs first.

70 (d) This subsection does not apply to banks, trust
71 companies, savings and loan associations, savings banks, or
72 credit unions licensed or organized under the laws of any state
73 of the United States; any foreign bank maintaining a branch or
74 agency licensed under the laws of any state of the United
75 States; or any subsidiary or affiliate thereof.

76 (e) A violation of this subsection renders the automatic
77 renewal provision void and unenforceable.

78 Section 2. This act shall take effect July 1, 2008.