



740290

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/19/2009	.	
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The Committee on Commerce (Justice) recommended the following:

**Senate Amendment**

Delete lines 16 - 66  
and insert:  
which a service contract is renewed for a specified period of more than 1 month if the renewal causes the service contract to be in effect more than 6 months after the day of the initiation of the service contract. Such renewal is effective unless the consumer gives notice to the seller of the consumer's intention to terminate the service contract.

(b) "Consumer" means an individual, as defined in s. 501.603, receiving service, maintenance, or repair under a



740290

13 service contract. The term does not include an individual  
14 engaged in business or a governmental entity if the individual  
15 or government entity enters into the service contract as part of  
16 or ancillary to the individual's business activities or on  
17 behalf of a business or governmental entity.

18 (c) "Seller" means any person or entity that is a service  
19 contract provider.

20 (d) "Service contract" means a written contract for the  
21 performance of services over a fixed period of time or for a  
22 specified duration.

23 (2) SERVICE CONTRACTS WITH AUTOMATIC RENEWAL PROVISIONS.—

24 (a) Any seller that sells, leases, or offers to sell or  
25 lease any service to a consumer pursuant to a service contract  
26 that automatically renews for a specified term of more than 1  
27 months, unless the consumer cancels the contract, shall disclose  
28 the automatic renewal provision clearly and conspicuously in the  
29 contract or contract offer.

30 (b) Any seller that sells or offers to sell any service to  
31 a consumer pursuant to a service contract the term of which is a  
32 specified term of 12 months or more and that automatically  
33 renews for a specified term of more than 1 month, unless the  
34 consumer cancels the contract, shall provide the consumer with  
35 written or electronic notification of the automatic renewal  
36 provision. Notification shall be provided to the consumer no  
37 less than 30 days and no more than 60 days before the  
38 cancellation deadline pursuant to the automatic renewal  
39 provision. Such notification shall disclose clearly and  
40 conspicuously:

41 1. That unless the consumer cancels the contract the



740290

42 contract will automatically renew.

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

47 (c) A seller that fails to comply with the requirements of  
48 this subsection is in violation of this subsection unless the  
49 seller demonstrates that:

50 1. As part of its routine business practice, it has  
51 established and implemented written procedures to comply with  
52 this section and enforces compliance with the procedures;

53 2. Any failure to comply with this subsection is the result  
54 of error; and