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## FISCAL IMPACT REPORT

SPONSOR HJC ORIGINAL DATE 3/10/19 CS/CS/522/HCPACS/  
 LAST UPDATED 3/12/19 HB HJCS/aHFI#1

SHORT TITLE Unlawful Auto Renewal of Certain Contracts SB \_\_\_\_\_

ANALYST Glenn

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to:

HB295, HB329, HB 24, HB491, HB 23, SB25, SB233, SB279, SB350

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of HFI#1 Amendment

The House Floor #1 amendment changes Section 1(C) by adding a bank holding company and an eligible surplus lines insurer as defined in Section 59A-14-2 of the Insurance Code to the institutions that are not subject to the provisions of the bill.

#### Synopsis of Original Bill

The House Judiciary Committee Substitute for the House Consumer and Public Affairs Committee Substitute for House Bill 522 adds a new section of the Unfair Practices Act making it an unlawful practice for a person to renew a contract, except a service contract governed by the Service Contract Regulation Act, for or to continue delivery of a product or service after the contract expires without obtaining the consumer's prior explicit consent.

The consumer's consent may be obtained at the time the consumer enters into the contract. Otherwise, an offer to renew a contract for or continue delivery must be provided to the consumer between 30 and 60 days before contract expires. An offer to continue delivery after a free trial, discount or other introductory offer must be provided between five and 10 days before the offer expires.

At the time a consumer enters into a contract, the consumer must be provided, in a conspicuous

manner as specified in the bill, clear instructions on how to cancel the contract for or continued delivery of the product or service, notice of recurring charges if the offer is accepted, and other specified terms.

In addition to the remedies provided under the Unfair Practices Act, if a person violates the requirements of the bill, the product or service covered by a contract or continued delivery shall be deemed an unconditional gift to the consumer.

### **FISCAL IMPLICATIONS**

The bill applies to private parties, and is anticipated to have no or minimal impact on the State.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the following bills that amend the Unfair Practices Act:

HB295 Health Security Act  
HB424 Expand Phone Solicitation Restrictions  
HB491 Immobilizing or Towing of Certain Vehicles  
HB523 Unlawful Auto Withdrawal of Funds  
SB25 No Differential Pricing Based on Gender  
SB329 Service Contract Cancellation & Auto-Renewal  
SB233 Broadband Access Unfair Trade Practices  
SB350 Automatic Renewal of Service Contracts  
SB279 Health Security Act

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