



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 894

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H.P. 613

House of Representatives, March 12, 2015

### An Act Relating to Automatic Contract Renewals

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Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative WARD of Dedham.  
Cosponsored by Senator PATRICK of Oxford and  
Representatives: AUSTIN of Gray, BATES of Westbrook, CAMPBELL of Newfield,  
FECTEAU of Biddeford, HERBIG of Belfast, LOCKMAN of Amherst, MASTRACCIO of  
Sanford, Senator: VOLK of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 10 MRSA c. 229** is enacted to read:

3 **CHAPTER 229**

4 **AUTOMATIC CONTRACT RENEWAL ACT**

5 **§1500-H. Short title**

6 This chapter may be known and cited as "the Automatic Contract Renewal Act."

7 **§1500-I. Definitions**

8 As used in this chapter, unless the context otherwise indicates, the following terms  
9 have the following meanings.

10 **1. Consumer.** "Consumer" means an individual, business, corporation or other legal  
11 entity receiving products, services or repair under a contract.

12 **2. Contract.** "Contract" means a written agreement between 2 or more parties.

13 **3. Parties.** "Parties" includes individuals and other legal entities, but does not  
14 include the Federal Government, the State or another state, a unit of local government or  
15 a school district.

16 **§1500-J. Automatic renewal; requirements**

17 **1. Automatic renewal.** A person, firm, partnership, association or corporation that  
18 sells or offers to sell a product or service to a consumer pursuant to a contract that  
19 automatically renews unless the consumer cancels the account shall disclose the  
20 automatic renewal clause clearly and conspicuously in the contract, including the  
21 cancellation procedure. The automatic renewal clause must be printed in upper case  
22 letters, underscored and in bold print of a print size larger than the text of the rest of the  
23 contract.

24 **2. Written notice.** A person, firm, partnership, association or corporation that sells  
25 or offers to sell a product or service to a consumer pursuant to a contract that has a  
26 specified term of 12 months or more and that automatically renews for a specified term of  
27 more than one month unless the consumer cancels the contract shall notify the consumer  
28 in writing of the automatic renewal. Written notice under this subsection must be  
29 provided to the consumer no fewer than 30 days and no more than 60 days before the  
30 cancellation deadline pursuant to the automatic renewal clause and must disclose clearly  
31 and conspicuously:

32 A. That unless the consumer cancels the contract it will automatically renew; and

33 B. Where the consumer may obtain details regarding the automatic renewal  
34 provision and cancellation procedure.

