



Senate Consumer Protection and Professional Licensure Committee

Senator Robert M. Tomlinson, *Chairman*

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BILL ANALYSIS

DATE: April 19, 2012

COMMITTEE: Consumer Protection and Professional Licensure

BILL NO.: SB 991

PRIME SPONSOR: Senator Argall

PRINTER NO. 1226

Senate Bill 991 creates the Service Contract Automatic Renewal Act. It requires a seller to clearly disclose an automatic renewal provision in a service contract or service contract offer.

When a service contract automatically renews for longer than one month, the seller must provide a receipt confirmation of the automatic renewal provision. Notification must be provided not less than 30 days, but not more than 60 days before the service contract cancellation deadline. The notification must clearly disclose that the service contract automatically renews if it is not cancelled and the method including a telephone number or address for obtaining details of the automatic renewal provision and cancellation procedure.

Violations of this act constitute of a violation of the Unfair Trade Practices and Consumer Protection Law and result in the automatic renewal provision of the service contract being void and unenforceable in the Commonwealth. The legislation does provide an exemption to the violation for a seller that fails to comply based on an unintentional error.

Effective Date: 60 days.