

JAN 19 2007

A BILL FOR AN ACT

RELATING TO CONSUMER CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new section to be appropriately designated and to read
3 as follows:
4 "§ - Automatic renewal of consumer contracts. (a) A
5 consumer contract for service, maintenance, or repair that
6 states that the term of the contract shall be automatically
7 renewed for a specified additional period based upon a
8 consumer's failure to give notice of the consumer's intention to
9 terminate the contract at the expiration of the current term
10 shall not be enforceable unless the person furnishing the
11 service, maintenance, or repair pursuant to the contract gives
12 to the consumer written notice, served personally or by mail, no
13 less than thirty days before the expiration of the contract's
14 current term, to inform the consumer of the automatic renewal
15 provision in the contract.



1 (b) This section shall not apply if the original term of
2 the contract subject to being renewed automatically, or the
3 renewal term, is six months or less.

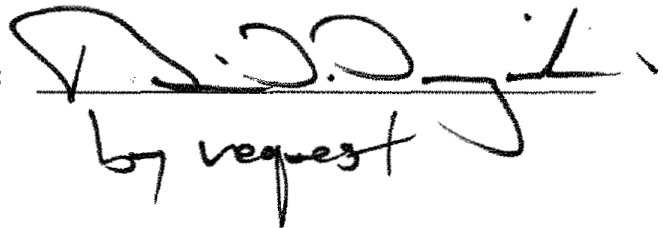
4 (c) The notice to the consumer concerning the automatic
5 renewal provision in the contract shall be conspicuously
6 captioned and shall state explicitly what the consumer must do
7 to avoid automatic renewal."

8 SECTION 2. New statutory material is underscored.

9 SECTION 3. This Act shall take effect upon its approval.

10

INTRODUCED BY:


by request



Report Title:

Consumer Contracts; Automatic Renewal

Description:

Prohibits the automatic renewal of consumer contracts unless the consumer is given (a) timely notice of the automatic renewal and (b) the possibility to avoid automatic renewal.

