
A BILL FOR AN ACT

RELATING TO CONTRACTS.

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

1 SECTION 1. Chapter 481, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§481- Automatic renewal clauses. (a) Any person that
5 sells or offers to sell any products or services to a consumer
6 pursuant to a contract that has an automatic renewal clause
7 under which the contract will automatically renew unless the
8 consumer cancels the contract, shall disclose the automatic
9 renewal clause and the procedure by which the consumer can
10 cancel automatic renewal of the contract clearly and
11 conspicuously in the contract.

12 (b) Any person that sells or offers to sell any products
13 or services to a consumer pursuant to a contract that has a
14 specified contract term of twelve months or more and will
15 automatically renew for a specified term of more than one month
16 unless the consumer cancels the contract, shall notify the
17 consumer clearly and conspicuously in writing:



1 (1) That the contract will automatically renew unless the
2 consumer cancels the contract; and

3 (2) The deadline by which the consumer must respond,
4 should the consumer decide to cancel the contract to
5 prevent automatic renewal.

6 The notice provided to the consumer under this subsection shall
7 be received by the consumer no less than thirty days and no more
8 than sixty days before the date upon which the consumer must
9 respond under paragraph (2).

10 (c) Any person that violates this section shall be deemed
11 to have engaged in an unfair method of competition and unfair or
12 deceptive act or practice in the conduct of any trade or
13 commerce within the meaning of section 480-2."

14 SECTION 2. This Act does not affect rights and duties that
15 matured, penalties that were incurred, and proceedings that were
16 begun before its effective date.

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Contracts; Automatic Renewal Clauses

Description:

Requires clear and conspicuous language disclosing any automatic renewal clauses and language explaining how to cancel the contract in all contracts and offers where the contract automatically renews. Effective July 1, 2020. (HB663 HD1)

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