
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 consumer contract that has an automatic renewal
7 clause under which the contract will automatically renew unless
8 the 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 consumer contract clearly and
11 conspicuously in the consumer contract.

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



- 1 (1) That the consumer contract will automatically renew
2 unless the consumer cancels the contract;
3 (2) How to cancel the contract; and
4 (3) The deadline by which the consumer must respond,
5 should the consumer decide to cancel the consumer
6 contract to prevent automatic renewal.

7 The notice provided to the consumer under this subsection shall
8 be sent to the consumer no less than thirty days and no more
9 than sixty days before the date upon which the consumer must
10 respond under paragraph (3).

11 (c) Any person that violates this section or who fails to
12 cancel an automatic renewal contract upon consumer request as
13 directed by the person shall be deemed to have engaged in an
14 unfair method of competition and unfair or deceptive act or
15 practice in the conduct of any trade or commerce within the
16 meaning of section 480-2.

17 (d) For purposes of this section "consumer" shall have the
18 same meaning as in section 480-1."

19 SECTION 2. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun before its effective date.

22 SECTION 3. New statutory material is underscored.



1 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 consumer contracts and offers where the contract automatically renews. Requires additional notice to consumers of automatic renewal for consumer contracts of a term of twelve months or more. Effective July 1, 2020. (HB663 HD2)

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