

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Service contracts-automatic renewal provisions.

Sponsored by: Representative(s) Sommers

A BILL

for

1 AN ACT relating to consumer protection; specifying
2 requirements for automatic renewal provisions in service
3 contracts; providing remedies for violations; specifying
4 applicability; and providing for an effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.** W.S. 40-12-801 through 40-12-803 are
9 created to read:

10

11

ARTICLE 8

12

SERVICE CONTRACT AUTOMATIC RENEWAL PROVISIONS

13

1 **40-12-801. Definitions.**

2

3 (a) As used in this article:

4

5 (i) "Automatic renewal provision" means a
6 provision under which a service contract is renewed at the
7 end of a definite term for a subsequent term unless the
8 consumer gives notice to the seller of the consumer's
9 intention to terminate the contract;

10

11 (ii) "Consumer" means a person receiving
12 service, maintenance or repair under a service contract for
13 personal, family or household purposes;

14

15 (iii) "Seller" means a person providing service,
16 maintenance or repair pursuant to a service contract for
17 personal, family or household purposes;

18

19 (iv) "Service contract" means a written
20 agreement between a consumer and a seller for service,
21 maintenance or repair that is in connection with real
22 property or provides a benefit to real property and that is
23 for personal, family or household purposes. "Service

1 contract" does not mean a contract affecting any right,
2 title, estate or interest in real property including a fee
3 title interest, a leasehold interest, an option contract
4 relating to real property, a real estate purchase agreement
5 or an easement.

6
7 **40-12-802. Automatic renewal provisions;**
8 **requirements.**

9
10 (a) A service contract shall not contain an automatic
11 renewal provision that causes the contract to be
12 enforceable for more than six (6) months after the first
13 day the contract becomes enforceable unless the seller
14 provides the consumer written notice. Written notice
15 required by this subsection shall:

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17 (i) Be written in clear and understandable
18 language conspicuously placed and printed in an easy to
19 read type size and style;

20
21 (ii) Inform the consumer of the automatic
22 renewal provision;

1 (iii) Be delivered to the consumer either
2 personally, by certified mail or prominently displayed on
3 the first page of all statements and receipts delivered to
4 the consumer; and

5
6 (iv) Be delivered no later than thirty (30)
7 calendar days and no sooner than ninety (90) calendar days
8 before the last day on which the consumer may give notice
9 of the consumer's intention to cancel the contract.

10
11 (b) In addition to the written notice required under
12 subsection (a) of this section, a service contract that
13 contains an automatic renewal provision providing for a
14 renewal term exceeding twelve (12) months shall prominently
15 and conspicuously display the provision on the first page
16 of the contract.

17
18 **40-12-803. Remedy for violation.**

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20 (a) If a seller does not comply with the requirements
21 of W.S. 40-12-802:

(i) The automatic renewal provision is void and
unconscionable as a matter of public policy;

4 (ii) The service contract shall automatically
5 renew on a month-to-month basis; and

7 (iii) The service contract shall be subject to
8 cancellation at any time by the consumer.

10 **Section 2.** This act shall apply to service contracts
11 entered into on or after July 1, 2018.

13 **Section 3.** This act is effective July 1, 2018.

15 (END)