



2015-2016 General Assembly

SENATE BILL 770: North Carolina Farm Act of 2016, Sec. 16: Require Written Notice of Automatic Contract Renewal 15 to 45 Days Prior to the Automatic Renewal

Committee:
Introduced by:
Analysis of: Sec. 16 of S.L. 2016-113

Date: August 2, 2016
Prepared by: Chris Saunders
Staff Attorney

OVERVIEW: *Sec. 16 of S.L. 2016-113 makes an automatic contract renewal for the sale, lease of products or services for a term exceeding 60 days void and unenforceable unless the consumer is given written notice that the contract will automatically renew if the consumer does not cancel it, and requires the notice to be given no sooner than 45 days and no later than 15 days before the renewal. This section (i) limits the notice requirement to automatic renewals for periods exceeding 60 days, (ii) provides for notice by personal delivery, electronic mail or first-class mail, and (iii) excludes entities regulated by the Federal Communications Commission under federal law, by the North Carolina Utilities Commission under State law, or doing business under authorization issued by a political subdivision of the State or any agency thereof. These exclusions are in addition to entities excluded under existing law, including insurers licensed under Chapter 58 of the General Statutes, banks, trust companies, savings and loan associations, savings banks, and credit unions licensed or organized under the laws of any state or the United States, and any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof.*

This section became effective July 26, 2016, and applies to contracts entered into on or after that date.

Karen Cochrane-Brown
Director



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Legislative Analysis
Division
919-733-2578