



HOUSE BILL 502: Define "Consumer" - Auto Renewal Contracts.

2017-2018 General Assembly

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| Committee: | House Judiciary I | Date: | April 18, 2017 |
| Introduced by: | Rep. Bradford | Prepared by: | Bill Patterson |
| Analysis of: | First Edition | | Committee Co-Counsel |

OVERVIEW: *House Bill 502 defines the term "consumer" for purposes of the law governing contracts with automatic renewal clauses.*

CURRENT LAW: G.S. 75-41 makes an automatic renewal clause in a contract for the sale, lease of products or services to a consumer 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. The term "consumer" is not defined for purposes of this section.

BILL ANALYSIS: House Bill 502 would amend G.S. 75-41 to define "consumer" for purposes of this section as "any natural person who purchases or leases any products or services pursuant to a contract containing an automatic renewal clause for personal, family, household, or agricultural purposes."

EFFECTIVE DATE: This act becomes effective on October 1, 2017, 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