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STATE SENATOR, DISTRICT 17

SB 1001- This legislation addresses automatic renewal of consumer contracts and early termination fees associated with consumer contracts.

1. Provides more protection for consumers when entering into a contract with **automatic renewals** (other than month to month)

- **Automatic renewals extending a consumer contract will be allowed only if**
 - The contract states the automatic renewal in a “clear and conspicuous” manner
 - At the time the offer is made
 - The contract provides a cancellation procedure
 - Either in the same manner as the consumer entered into the contract OR
 - As expressly agreed to by the consumer
- If the automatic renewal extends the contract more than 31 days,
 - NOTICE must be given at least 30 days, but no more than 60 days of the automatic renewal AND
 - The contract must explain procedure for cancellation in the same manner as the consumer entered into the contract AND
 - The consumer must be given periodic statements

2. **Early termination fees in the contract will be allowed only if**

- The contract states the early termination fee in a “clear and conspicuous” manner at the time the contract or offer is made; AND
- The consumer expressly consents to the early termination fee

3. Provides remedies for consumers when a company violates these provisions

- Voids the provision of the contract that is in violation and makes the provision unenforceable
- Creates a violation of the Unlawful Trade Practices Act

4. This legislation covers consumer contracts and does not include insurance, certificates of deposit (CD's), residential rental agreements under ORS Chapter 90, lease-purchase contracts under ORS 646A.120, service contracts under ORS 646A.154. It also excludes contracts for services covered by the federal Communications Act of 1934 that automatically renew for less than 32 days beyond the end of the original contract.