

HCS HB 162 -- CONTRACT RENEWALS

SPONSOR: Ervin (Dusenberg)

COMMITTEE ACTION: Voted "do pass" by the Committee on Small Business by a vote of 9 to 0.

This substitute specifies that the automatic renewal of contracts for service, maintenance, or repair to or for any residential real property intended for personal, family, or household use will be invalid unless a written notice by certified mail or email is given to the customer 30 to 90 days prior to the contract being renewed.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say consumers who purchase a service like a security system that renews automatically need a reminder so that the contract can be canceled if they want out of the contract. Kansas has a law that requires a 30-day notice before a contract can renew.

Testifying for the bill was Representative Dusenberg.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it is a good idea, but the language is too broad and could include extended warranties for motor vehicles and appliances, Internet and telephone services, newspaper subscriptions and delivery, cable television services, lawn care services, and other numerous services.

Testifying on the bill were Assurant; Missouri Cable Telecommunications Association; and General Motors.