

Effective 1/1/2025

Chapter 70 Automatic Renewal Contracts Act

Effective 1/1/2025

Part 1 General Provisions

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13-70-101 Definitions.

As used in this chapter:

- (1) "Automatic renewal provision" means a provision under a contract that is automatically renewed at the end of a definite, paid term for a subsequent, paid term that is longer than 45 days.
- (2) "Clearly and conspicuously disclose" means to disclose:
 - (a) in print:
 - (i) in larger type than the surrounding text;
 - (ii) in contrasting type, font, or color to the surrounding text of the same size; or
 - (iii) in a manner set off from the surrounding text of the same size by symbols or other marks that clearly call attention to the language; or
 - (b) through audio, in a volume and cadence sufficient to be readily audible and understandable.
- (3) "Division" means the Division of Consumer Protection established in Section 13-2-1.
- (4) "Rental agreement" means any agreement, written or oral, which establishes or modifies the terms, conditions, rules, or any other provisions regarding the use or occupancy of real property for residential or commercial purposes.
- (5) "Trial period offer" means an offer to provide a period of time to sample or use a product or service without payment.

Enacted by Chapter 132, 2024 General Session

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Part 2 Automatic Renewal Contract

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13-70-201 Automatic renewal provisions -- Trial period offers -- Notice -- Exceptions.

- (1) Except as provided in Subsection (3), a person who provides an individual a product or service under a contract with an automatic renewal provision shall provide a notice to the individual, at least 30 but not more than 60 days before the day on which the automatic renewal provision renews, that clearly and conspicuously discloses:
 - (a) the renewal date;
 - (b) the total renewal cost; and
 - (c) options for cancellation of the contract.
- (2) Except as provided in Subsection (3), a person who provides an individual a trial period offer shall provide a notice to the individual, at least three days before the day on which the period of time under the trial period offer expires, that clearly and conspicuously discloses:
 - (a) the trial period offer expiration date;

- (b) the price to be charged for the product or service, or any further purchase obligations to be imposed on the individual, after the expiration date; and
 - (c) options for cancellation of the contract.
- (3) This section does not apply to:
- (a) any individual or entity regulated under Title 31A, Insurance Code, or an affiliate of the individual or entity;
 - (b) a person providing a service contract, as defined in Section 31A-6a-101;
 - (c) a financial institution or an affiliate of a financial institution regulated under Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. Sec. 6801 et seq.;
 - (d) a public utility, as defined in Section 54-2-1;
 - (e) an entity or affiliate of the entity that provides services regulated by the Federal Communications Commission, Federal Energy Regulatory Commission, or Federal Professional Services Council;
 - (f) a rental agreement; or
 - (g) an agreement for property management, as defined in 61-2f-102.
- (4) An automatic renewal provision that violates this section is void.

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Part 3 Enforcement

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13-70-301 Administration and enforcement -- Division powers -- Fees -- Rulemaking.

- (1) The division shall administer and enforce this chapter in accordance with Chapter 2, Division of Consumer Protection.
- (2) In addition to the division's enforcement powers under Chapter 2, Division of Consumer Protection:
 - (a) the division director may impose an administrative fine of up to \$2,500 for each violation of this chapter; and
 - (b) the division may bring a civil action to enforce this chapter.
- (3) In a civil action by the division to enforce this chapter, the court may:
 - (a) declare that an act or practice violates this chapter;
 - (b) issue an injunction for a violation of this chapter;
 - (c) order disgorgement of any money received after a violation of this chapter;
 - (d) order payment of disgorged money to an injured individual;
 - (e) impose a civil penalty of up to \$2,500 for each violation of this chapter; or
 - (f) award any other relief that the court deems reasonable and necessary.
- (4) If a court grants judgment or injunctive relief to the division, the court shall award the division:
 - (a) reasonable attorney fees;
 - (b) court costs; and
 - (c) investigative fees.
- (5)
 - (a) A person who violates an administrative or court order issued for a violation of this chapter is subject to a civil penalty of no more than \$5,000 for each violation.

- (b) A civil penalty authorized under this section may be imposed in any civil action brought by the division.
- (c) The division shall deposit money received for the payment of a fine or civil penalty under this section into the General Fund.
- (6) The division may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to enforce this chapter.

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