

# HB5138



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5138

Introduced 2/18/2020, by Rep. Mary Edly-Allen

### SYNOPSIS AS INTRODUCED:

815 ILCS 601/10

Amends the Automatic Contract Renewal Act. Provides that the Act applies to contracts with a term of 6 months or more rather than a term of 12 months or more.

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A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Automatic Contract Renewal Act is amended by  
5 changing Section 10 as follows:

6 (815 ILCS 601/10)

7 Sec. 10. Automatic renewal; requirements.

8 (a) Any person, firm, partnership, association, or  
9 corporation that sells or offers to sell any products or  
10 services to a consumer pursuant to a contract, where such  
11 contract automatically renews unless the consumer cancels the  
12 contract, shall disclose the automatic renewal clause clearly  
13 and conspicuously in the contract, including the cancellation  
14 procedure.

15 (b) Any person, firm, partnership, association, or  
16 corporation that sells or offers to sell any products or  
17 services to a consumer pursuant to a contract, where such  
18 contract term is a specified term of 6 ~~12~~ months or more, and  
19 where such contract automatically renews for a specified term  
20 of more than one month unless the consumer cancels the  
21 contract, shall notify the consumer in writing of the automatic  
22 renewal. Written notice shall be provided to the consumer no  
23 less than 30 days and no more than 60 days before the

1 cancellation deadline pursuant to the automatic renewal  
2 clause. Such written notice shall disclose clearly and  
3 conspicuously:

4 (i) that unless the consumer cancels the contract it  
5 will automatically renew; and

6 (ii) where the consumer can obtain details of the  
7 automatic renewal provision and cancellation procedure  
8 (for example, by contacting the business at a specified  
9 telephone number or address or by referring to the  
10 contract).

11 (c) A person, firm, partnership, association, or  
12 corporation will not be liable for a violation of this Act or  
13 the Consumer Fraud and Deceptive Business Practices Act if such  
14 person, firm, partnership, association, or corporation  
15 demonstrates that, as part of its routine business practice:

16 (i) it has established and implemented written  
17 procedures to comply with this Act and enforces compliance  
18 with the procedures;

19 (ii) any failure to comply with this Act is the result  
20 of error; and

21 (iii) where an error has caused a failure to comply  
22 with this Act, it provides a full refund or credit for all  
23 amounts billed to or paid by the consumer from the date of  
24 the renewal until the date of the termination of the  
25 account, or the date of the subsequent notice of renewal,  
26 whichever occurs first.

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1 (Source: P.A. 93-950, eff. 1-1-05.)