

Committee Report

REGULAR CALENDAR

March 2, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Commerce and Consumer Affairs to which was referred HB 553,

AN ACT prohibiting renewal of certain consumer contracts without express written notice to consumers.

Having considered the same, report the same with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Joseph Depalma IV

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 553
Title:	prohibiting renewal of certain consumer contracts without express written notice to consumers.
Date:	March 2, 2021
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill makes it a violation of the Consumer Protection Act for a contract for services to include an automatic renewal provision that does not require written acceptance of the additional term of service by the consumer. The majority of the committee believes that contracts are normally assumed to renew automatically. This bill would create a number of issues for businesses across New Hampshire and for the consumers of our state.

Vote 10-9.

Rep. Joseph Depalma IV
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs

HB 553, prohibiting renewal of certain consumer contracts without express written notice to consumers. **MAJORITY: INEXPEDIENT TO LEGISLATE. MINORITY: OUGHT TO PASS.**

Rep. Joseph Depalma IV for the **Majority** of Commerce and Consumer Affairs. This bill makes it a violation of the Consumer Protection Act for a contract for services to include an automatic renewal provision that does not require written acceptance of the additional term of service by the consumer. The majority of the committee believes that contracts are normally assumed to renew automatically. This bill would create a number of issues for businesses across New Hampshire and for the consumers of our state. **Vote 10-9.**

Original: House Clerk

Cc: Committee Bill File

REGULAR CALENDAR

March 2, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Commerce and Consumer Affairs to which was referred HB 553,

AN ACT prohibiting renewal of certain consumer contracts without express written notice to consumers.

Having considered the same, and being unable to agree with the Majority, report with the recommendation that the bill OUGHT TO PASS.

Rep. Joyce Weston

FOR THE MINORITY OF THE COMMITTEE

MINORITY COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 553
Title:	prohibiting renewal of certain consumer contracts without express written notice to consumers.
Date:	March 2, 2021
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill falls under the Consumer Protection Act. It would prohibit companies from automatically renewing contracts for services without written notice to the consumer no less than 30 days before the contract expiration date. This protection would prevent the surprise of an unwanted credit card charge for a magazine subscription, gym membership, or other service. The opportunity to opt-in can then be chosen.

Rep. Joyce Weston
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs

HB 553, prohibiting renewal of certain consumer contracts without express written notice to consumers. **OUGHT TO PASS.**

Rep. Joyce Weston for the **Minority** of Commerce and Consumer Affairs. This bill falls under the Consumer Protection Act. It would prohibit companies from automatically renewing contracts for services without written notice to the consumer no less than 30 days before the contract expiration date. This protection would prevent the surprise of an unwanted credit card charge for a magazine subscription, gym membership, or other service. The opportunity to opt-in can then be chosen.

Majority Report HB 553

The majority of the committee on Commerce & Consumer Affairs opposed HB 553, an act prohibiting renewal of certain consumer contracts without express written notice to consumers. This bill makes it a violation of the consumer protection act for a contract for services to include an automatic renewal provision that does not require written acceptance of the additional term of service by the consumer.

The majority of the committee believes that contracts are normally assumed to renew automatically. The majority believes that this bill would create a number of issues for businesses across New Hampshire and for the consumers of our state. Therefore, we oppose HB 553 and recommend it as ITL.

Rep. Joseph DePalma, IV

On Behalf of the Majority of the Committee on Commerce and Consumer Affairs

Archived: Thursday, April 22, 2021 1:57:15 PM
From: JOHN HUNT
Sent: Monday, March 8, 2021 2:55:43 PM
To: Carrie Morris
Cc: Pam Smarling
Subject: Fwd: Minority report for HB 553
Importance: Normal

Begin forwarded message:

From: Joyce Weston <jweston14@roadrunner.com>
Subject: Minority report for HB 553
Date: March 4, 2021 at 7:51:32 AM EST
To: JOHN B HUNT <jbhunt@prodigy.net>

HB 553 Minority report OTP

Rep. Joyce Weston for the Minority of Commerce and Consumer Affairs.

This bill falls under the Consumer Protection Act. It would prohibit companies from automatically renewing contracts for services without written notice to the consumer no less than 30 days before the contract expiration date. This protection would prevent the surprise of an unwanted credit card charge for a magazine subscription, gym membership, or other service. The opportunity to opt-in can then be chosen.

Joyce C. Weston
204 Loon Lake Road
Plymouth, NH 03264
603-276-0862

Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 553

BILL TITLE: prohibiting renewal of certain consumer contracts without express written notice to consumers.

DATE: March 2, 2021

LOB ROOM: Zoom

MOTIONS: INEXPEDIENT TO LEGISLATE

Moved by Rep. Depalma IV

Seconded by Rep. Potucek

Vote: 10-9

CONSENT CALENDAR: NO

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Keith Ammon, Clerk

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION ON HB 553

BILL TITLE: prohibiting renewal of certain consumer contracts without express written notice to consumers;

DATE: 3/2/2021

LOB ROOM: Zoom

MOTION: (Please check one box)

OTP ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. DePalma Seconded by Rep. Potucek Vote: _10-9_

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) *(if offered)*

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR? _____ Yes **X** No

Minority Report? **X** Yes _____ No If yes, author, Rep.: Weston Motion: OTP

Respectfully submitted, Rep. Ammon, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/22/2021 9:55:55 AM
Roll Call Committee Registers
Report



2021 SESSION

Commerce and Consumer Affairs

Bill #: HB533 Motion: ITL AM #: _____ Exec Session Date: 3/2/2021

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	10		
Potucek, John M. Vice Chairman	1		
Osborne, Jason M.	2		
Ammon, Keith M. Clerk	3		
Abramson, Max	4		
Ham, Bonnie D.	5		
Depalma IV, Joseph	6		
Greeson, Jeffrey	7		
Johnson, Dawn M.	8		
Terry, Paul A.	9		
Bartlett, Christy D.		1	
Abel, Richard M.		2	
Herbert, Christopher J.		3	
Van Houten, Constance		4	
Fargo, Kristina M.		5	
Weston, Joyce		6	
Beaulieu, Jane E.		7	
Burroughs, Anita D.		8	
McAlear, Chris R.		9	
TOTAL VOTE:	10	9	

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 553

BILL TITLE: prohibiting renewal of certain consumer contracts without express written notice to consumers.

DATE: February 17, 2021

LOB ROOM: 302 Hybrid **Time Public Hearing Called to Order:** 9:50 a.m.

Time Adjourned: 10:00 a.m.

Committee Members: Reps. Hunt, Potucek, Ammon, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Bill Sponsors:
Rep. Baroody

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Bartlett

(Reads bill analysis) I signed up for a NatGeo for kids subscription and it said I'd be signed up indefinitely. I'm thinking this may apply to something like that and not sure how it will be enforced. (that was all)

Rep Abel

Q: This committee passed, and House passed a bill in 2015 and applied this to health clubs in NH? There is a precedent.

A: Interesting.

Rep Hunt: Health clubs were selling lifetime memberships and were going out of business in a year. This is way back. We changed it so they could only charge your credit card month to month. After some period of time, they had to notify you to renew.

Kyle Baker

Opposes the bill. Internet Coalition. Letter of opposition should have been received. Bill creates an unnecessarily burdensome process. Consumers could experience disruption for services. Companies are already obtaining consent. This bill would place NH businesses at a competitive disadvantage. Companies would need to create a contract tracking system just for NH customers.

Rep Van Houten

Q: My aunt died, and her daughter found recurring charges to her credit cards after her death. Can this bill cover eventualities like that?

A: I'm not an expert on how that's handled. Would need to get back to you.

Q: Could you give me a general response? Does the executor of the estate inform the company?

A: I don't want to give you incorrect info. I will get that to you today.

Rep Terry: I served as executor of two estates. I notified providers with recurring charges and they refunded as of the days of their death. Chair, can lobbyists tell us what state they're located in?

Kyle Baker: I'm lobbyist with RAP Granite Strategies located in Concord. The Internet Coalition a trade association. I believe they are based in Vermont.

HOUSE COMMITTEE ON COMMERCE & CONSUMER AFFAIRS

PUBLIC HEARING on Bill # HB553

BILL TITLE: prohibiting renewal of certain consumer contracts without express written notice to consumers.

DATE: Feb 17, 2021

ROOM: Zoom

Time Public Hearing Called to Order: 9:50 AM

Time Adjourned: 10:00 AM

(please bold if present)

Committee Members: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Bartlett

(Reads bill analysis) I signed up for a NatGeo for kids subscription and it said I'd be signed up indefinitely. I'm thinking this may apply to something like that and not sure how it will be enforced. (that was all)

Rep Abel

Q: This committee passed, and House passed a bill in 2015 and applied this to health clubs in NH? There is a precedent.

A: Interesting.

Rep Hunt: Health clubs were selling lifetime memberships and were going out of business in a year. This is way back. We changed it so they could only charge your credit card month to month. After some period of time, they had to notify you to renew.

Kyle Baker

Opposes the bill. Internet Coalition. Letter of opposition should have been received. Bill creates an unnecessarily burdensome process. Consumers could experience disruption for services. Companies are already obtaining consent. This bill would place NH businesses at a competitive disadvantage. Companies would need to create a contract tracking system just for NH customers.

Rep Van Houten

Q: My aunt died, and her daughter found recurring charges to her credit cards after her death. Can this bill cover eventualities like that?

A: I'm not an expert on how that's handled. Would need to get back to you.

Q: Could you give me a general response? Does the executor of the estate inform the company?

A: I don't want to give you incorrect info. I will get that to you today.

Rep Terry: I served as executor of two estates. I notified providers with recurring charges and they refunded as of the days of their death. Chair, can lobbyists tell us what state they're located in?

Kyle Baker: I'm lobbyist with RAP Granite Strategies located in Concord. The Internet Coalition a trade association. I believe they are based in Vermont.

House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill HB553 on 2021-02-17

Support: 4 Oppose: 13 Neutral: 1 Total to Testify: 1

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Signed Up</u>
Baker, Kyle	krb@rypgranite.com	A Lobbyist	Internet Coalition	Oppose	Yes (2m)	2/16/2021 8:01 PM
Greene, Bob	bob.greene@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 10:00 AM
Osborne, Jason	houstorepoffice@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 8:13 AM
Howard Jr., Raymond	brhowardjr@yahoo.com	An Elected Official	Myself	Support	No	2/17/2021 8:30 AM
Tudor, Paul	Paul Tudor.1strokingham@gmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 8:51 AM
Smith, Jonathan	jhsmithnh5@gmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 8:54 AM
Sheehan, Vanessa	vsheehan16@yahoo.com	An Elected Official	Myself	Oppose	No	2/17/2021 8:55 AM
THEBERGE, ROBERT	rolath@hotmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 9:10 AM
Edwards, Rep Jess	jess.edwards@leg.state.nh.us	An Elected Official	Rockingham District 4 (Auburn, Chester, Sandown)	Oppose	No	2/17/2021 9:22 AM
Boyd, Stephen	seboyd2020@gmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 10:45 AM
Post, Lisa CM	Lisa.Post@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 10:59 AM
Groetzinger, Tonda	groetzinger6@aol.com	A Member of the Public	Myself	Support	No	2/17/2021 11:28 AM
Bartlett, Rep Christy	christydbartlett@gmail.com	An Elected Official	Merrimack 19	Neutral	No	2/17/2021 12:32 PM
Piemonte, Tony	tony.piemonte@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 11:35 AM
Cushman, Leah	leah.cushman@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 12:03 PM
Flammer, Yadin	yadinflammer@gmail.com	A Member of the Public	Myself	Support	No	2/13/2021 8:49 PM
Yokela, Josh	josh.yokela@leg.state.nh.us	An Elected Official	Rockingham 33	Oppose	No	2/14/2021 4:20 PM
Frost, Sherry	sherry.frost@leg.state.nh.us	An Elected Official	Myself	Support	No	2/15/2021 2:32 PM

Testimony

Archived: Wednesday, April 14, 2021 11:32:15 AM

From: Kyle Baker

Sent: Tuesday, February 16, 2021 8:06:54 PM

To: ~House Commerce Committee

Subject: Letter in Opposition to HB553

Importance: Normal

Attachments:

Trades Oppose NH auto renewal HB 553.pdf ;

Good Evening,

On behalf of the Internet Coalition, please see the attached letter in opposition to HB 553.

Please let me know if you have any questions or requests for more information.

Best,

Kyle R. Baker

Government Relations Advisor



One Capital Plaza

Concord, NH 03302-1500

C (860)331-0067

D (603) 410-4320

www.rypgranitestратегии.com

CONFIDENTIAL COMMUNICATION: This message is intended only for the use of the addressee and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this e-mail in error, please notify us immediately by return e-mail and delete this e-mail and all attachments from your system.

CIRCULAR 230 NOTICE: This communication, including any attachments or enclosures, is not intended by the author to be used, and it may not be used by the addressee, recipient, or any other person, for the purpose of (1) avoiding penalties under the United States Internal Revenue Code, or (2) promoting, marketing, or recommending to any other party any transaction or matter addressed herein.

Archived: Wednesday, April 14, 2021 11:30:52 AM

From: Kyle Baker

Sent: Tuesday, February 16, 2021 8:06:54 PM

To: ~House Commerce Committee

Subject: Letter in Opposition to HB553

Importance: Normal

Attachments:

Trades Oppose NH auto renewal HB 553.pdf ;

Good Evening,

On behalf of the Internet Coalition, please see the attached letter in opposition to HB 553.

Please let me know if you have any questions or requests for more information.

Best,

Kyle R. Baker

Government Relations Advisor



One Capital Plaza

Concord, NH 03302-1500

C (860)331-0067

D (603) 410-4320

www.rypgranitestратегии.com

CONFIDENTIAL COMMUNICATION: This message is intended only for the use of the addressee and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this e-mail in error, please notify us immediately by return e-mail and delete this e-mail and all attachments from your system.

CIRCULAR 230 NOTICE: This communication, including any attachments or enclosures, is not intended by the author to be used, and it may not be used by the addressee, recipient, or any other person, for the purpose of (1) avoiding penalties under the United States Internal Revenue Code, or (2) promoting, marketing, or recommending to any other party any transaction or matter addressed herein.



entertainment
software
association



Internet Association

STATE PRIVACY & SECURITY COALITION

February 17, 2021

Honorable John Hunt, Chair
House Commerce and Consumer Affairs Committee
LOB Room 302
107 North Main Street
Concord, NH 03301

RE: Oppose HB 553, prohibiting contract renewals without written consent to consumers.

Dear Chairman Hunt:

The undersigned associations represent hundreds of the country's leading technology companies in high-tech manufacturing, computer networking and information technology, clean energy, life sciences, internet media, ecommerce, education and sharing economy sectors. Our member companies are committed to advancing public policies and private sector initiatives that make the U.S. the most innovative country in the world.

We want to express opposition to HB 553, which proposes an unnecessary and burdensome double-opt in consumer consent regime upon companies that offer New Hampshire residents contracts for services with automatic renewals. This would adversely impact New Hampshire consumers and the businesses that serve them by essentially preventing automatic renewals and the convenience they provide.

Our member companies already obtain affirmative customer consent for automatic renewals and other material terms and conditions. This is done in a clear and conspicuous way at the time the customer signs up for the service. This gives customers the option to conveniently continue the service without the need to take further action unless they want to make changes, upgrades or to terminate.

However, under HB 553, companies would be required to obtain consumer acceptance a second time, in writing, at least 30 days before an additional term of service expires. This, frankly, defeats the purpose of signing up for automatic renewals. Consumers want hassle-free services that do not require them to take action at the end of each term. In all likelihood, this bill would confuse and frustrate consumers that signed up for services to automatically renew. However, if they overlook, delete, identify as spam, or find they are too busy to respond to a second opt-in request in a timely way, they could be subject to irritating disruptions or cancellations of services

and end up being charged with reactivation fees. This could cause serious problems for users of services such as electricity, cable, and other subscriptions.

In addition, keeping up with the various opt-ins is likely to be incredibly burdensome, especially for smaller, local businesses. These businesses would be forced to implement and maintain a costly and unique system that would apply only to companies located in the Granite State or those that transact with state residents. New Hampshire's small and medium sized companies would be hit the hardest if required to change their business practices, which may prove difficult for companies that already may be struggling to stay financially viable in these particularly challenging financial times.

Further, the bill would place New Hampshire businesses at a competitive disadvantage with bordering states like Maine and Massachusetts, which do not subject companies to similar mandates. It would incentivize companies to consider relocating, possibly cause an elimination or reduction of services offered to New Hampshire residents, and could divert potential new businesses away from New Hampshire.

In summary, the undersigned associations believe the bill is unnecessary, burdensome, imposes inconvenience and costs on small and medium sized businesses and annoys customers with increased communications and potential price increases of ever-more-popular and convenient automatic renewal services.

Please feel free to contact Tammy Cota, Executive Director of the Internet Coalition at 802-279-3534 or tammy@theinternetcoalition.com with questions or if you would like to discuss these issues in more detail.

Sincerely,

Internet Coalition
Entertainment Software Associaton
Internet Association
MPA, the Association of Magazine Media
State Privacy and Security Coalition
TechNet

cc: House Commerce and Consumer Affairs Committee members
Rep. Benjamin Baroody

Bill as
Introduced

HB 553 - AS INTRODUCED

2021 SESSION

21-0699

05/11

HOUSE BILL **553**

AN ACT prohibiting renewal of certain consumer contracts without express written notice to consumers.

SPONSORS: Rep. Barody, Hills. 43

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill makes it a violation of the consumer protection act for a contract for services to include an automatic renewal provision that does not require written acceptance of the additional term of service by the consumer.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT prohibiting renewal of certain consumer contracts without express written notice to consumers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Paragraph; Consumer Protection; Acts Unlawful; Automatic Contract Renewal. Amend
2 RSA 358-A:2 by inserting after paragraph XVII the following new paragraph:

3 XVIII. Including in a contract for services an automatic renewal provision that does not
4 require the consumer to accept, in writing, an additional term of service prior to the expiration of the
5 current term. Notice of renewal shall be provided to the consumer no less than 30 days before the
6 contract's expiration date.

7 2 Effective Date. This act shall take effect January 1, 2022.