

House Bill 1225

By: Representatives Barrett of the 24<sup>th</sup>, Efstration of the 104<sup>th</sup>, Gaines of the 120<sup>th</sup>, Holcomb of the 101<sup>st</sup>, Camp of the 135<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 12 of Title 13 of the Official Code of Georgia Annotated, relating to  
2 automatic renewal provisions, so as to provide to certain consumers a pro rata refund relative  
3 to a canceled service contract in the event of a price increase; to provide for related matters;  
4 to provide for an effective date and applicability; to repeal conflicting laws; and for other  
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 12 of Title 13 of the Official Code of Georgia Annotated, relating to automatic  
9 renewal provisions, is amended by revising Code Section 13-12-3, relating to notice to  
10 consumer prior to automatic renewal of a service contract, as follows:

11 "13-12-3.

12 (a) Any seller that sells, leases, or offers to sell or lease any service to a consumer pursuant  
13 to a service contract for a specified period of 12 months or more and that automatically  
14 renews for a specified period of more than one month, unless the consumer cancels the  
15 contract, shall provide the consumer with written or electronic notification of the automatic  
16 renewal provision. Notification shall be provided to the consumer no less than 30 days or

17 no more than 60 days before the cancellation deadline pursuant to the automatic renewal  
18 provision. Such notification shall disclose clearly and conspicuously:

19 (1) That unless the consumer cancels the contract, the contract will automatically renew;  
20 and

21 (2) The methods by which the consumer may obtain details of the automatic renewal  
22 provision and cancellation procedure, including contacting the seller at a specified  
23 telephone number or address, referring to the contract, or any other method.

24 (b) For any contract for service to a consumer that automatically renews for a specified  
25 period of one year or more and that increases the cost to the consumer by 50 percent or  
26 more, a consumer who fails to terminate a service contract before the automatic renewal  
27 cancellation deadline shall, within 45 days after such deadline, be entitled to a pro rata  
28 refund of any amount paid by such consumer in connection with the renewal of such  
29 contract based on the number of days that have elapsed since such contract renewed and  
30 when the consumer canceled such contract divided by the total number of days of the  
31 specified period of the renewal term.

32 (c) For any contract for service to a consumer that automatically renews for a specified  
33 period of more than 24 months, the seller shall, in addition to providing the notification  
34 required under subsection (a) of this Code section, obtain the following for the automatic  
35 renewal provision of such contract to be enforceable:

36 (1) Written or electronic acknowledgment from the consumer of receipt of the  
37 notification required under subsection (a) of this Code section; and

38 (2) An affirmative written or electronic response that the consumer does not intend to  
39 terminate the service contract."

40 **SECTION 2.**

41 This Act shall become effective on December 31, 2026, and shall apply to contracts entered  
42 into on or after such date.

43

**SECTION 3.**

44 All laws and parts of laws in conflict with this Act are repealed.