**South Carolina General Assembly**

125th Session, 2023-2024

**A159, R182, S434**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Alexander

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Introduced in the Senate on January 24, 2023

Introduced in the House on March 21, 2024

Last Amended on May 8, 2024

Currently residing in the Senate

Governor's Action: May 20, 2024, Signed

Summary: Service contracts

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/24/2023 Senate Introduced and read first time (Senate Journal‑page 5)

 1/24/2023 Senate Referred to Committee on **Banking and Insurance** (Senate Journal‑page 5)

 2/10/2023 Scrivener's error corrected

 2/29/2024 Senate Committee report: Favorable with amendment **Banking and Insurance** (Senate Journal‑page 4)

 3/1/2024 Scrivener's error corrected

 3/6/2024 Scrivener's error corrected

 3/19/2024 Senate Committee Amendment Adopted (Senate Journal‑page 29)

 3/19/2024 Senate Read second time (Senate Journal‑page 29)

 3/19/2024 Senate Roll call Ayes-41 Nays-0 (Senate Journal‑page 29)

 3/20/2024 Senate Read third time and sent to House (Senate Journal‑page 14)

 3/20/2024 Scrivener's error corrected

 3/21/2024 House Introduced and read first time (House Journal‑page 17)

 3/21/2024 House Referred to Committee on **Labor, Commerce and Industry** (House Journal‑page 17)

 5/1/2024 House Committee report: Favorable with amendment **Labor, Commerce and Industry** (House Journal‑page 467)

 5/7/2024 House Requests for debate-Rep(s). Sandifer, Hiott, Carter, Hixon, Erickson, Blackwell, MM Smith, Guffey, West, Whitmire, Calhoon, Jefferson (House Journal‑page 132)

 5/8/2024 House Amended (House Journal‑page 271)

 5/8/2024 House Read second time (House Journal‑page 271)

 5/8/2024 House Roll call Yeas-104 Nays-0 (House Journal‑page 272)

 5/9/2024 House Read third time and returned to Senate with amendments (House Journal‑page 86)

 5/9/2024 Senate Concurred in House amendment and enrolled (Senate Journal‑page 19)

 5/15/2024 Ratified R 182

 5/20/2024 Signed By Governor

 5/29/2024 Effective date 05/20/24

 5/29/2024 Act No. 159

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**VERSIONS OF THIS BILL**

[01/24/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20230124.docx)

[02/10/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20230210.docx)

[02/29/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240229.docx)

[03/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240301.docx)

[03/06/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240306.docx)

[03/19/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240319.docx)

[03/20/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240320.docx)

[05/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240501.docx)

[05/08/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/434_20240508.docx)

**NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.**

(A159, R182, S434)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTIONS 38‑78‑55 AND 37‑6‑120 BOTH SO AS TO PROVIDE THAT NO AUTOMATIC RENEWAL PROVISION IN A SERVICE CONTRACT IS ENFORCEABLE UNLESS CERTAIN CONDITIONS ARE MET; AND BY AMENDING SECTIONS 38‑78‑20 AND 37‑1‑301, BOTH RELATING TO DEFINITIONS, SO AS TO DEFINE TERMS.

Be it enacted by the General Assembly of the State of South Carolina:

Automatic renewal provisions unenforceable unless certain conditions are met

SECTION 1. Chapter 78, Title 38 of the S.C. Code is amended by adding:

 Section 38‑78‑55. No automatic renewal provision in a service contract shall be enforceable against the contract holder unless the contract holder was presented written or electronic notification of that automatic renewal provision not less than thirty days nor more than sixty days before the cancellation deadline required by the automatic renewal provision. This notification shall conspicuously disclose:

 (A) that unless the service contract holder cancels the contract, the contract will automatically renew;

 (B) the amount that will be charged upon renewal; and

 (C) methods by which the service contract holder may obtain details of the automatic renewal provision and cancellation procedure, which shall include a toll‑free telephone number, electronic email address, a postal address if the seller directly bills the consumer, or another cost‑effective, timely, and easy‑to‑use mechanism for cancellation.

Automatic renewal provisions unenforceable unless certain conditions are met

SECTION 2. Chapter 6, Title 37 of the S.C. Code is amended by adding:

 Section 37‑6‑120. No automatic renewal provision in a service contract shall be enforceable against the contract holder unless the contract holder was presented written or electronic notification of that automatic renewal provision not less than thirty days nor more than sixty days before the cancellation deadline required by the automatic renewal provision. This notification shall conspicuously disclose:

 (A) that unless the service contract holder cancels the contract, the contract will automatically renew;

 (B) the amount that will be charged upon renewal; and

 (C) methods by which the service contract holder may obtain details of the automatic renewal provision and cancellation procedure, which shall include a toll‑free telephone number, electronic email address, a postal address if the seller directly bills the consumer, or another cost‑effective, timely, and easy‑to‑use mechanism for cancellation.

Definitions

SECTION 3. Section 38‑78‑20 of the S.C. Code is amended by adding:

 (18) “Automatic renewal provision” means a provision under which a service contract is renewed for a specified period of more than one month if the renewal causes the service contract to be in effect more than six months after the day of the initiation of the service contract. Such renewal is effective unless the consumer gives notice to the seller of the consumer’s intention to terminate the service contract. This term does not include a contract renewal for services provided by a telecommunications carrier or its affiliate when either the carrier or the affiliate is regulated by the South Carolina Public Service Commission or the Federal Communications Commission.

Definitions

SECTION 4. Section 37‑1‑301 of the S.C. Code is amended by adding:

 (31) “Automatic renewal provision” means a provision under which a service contract is renewed for a specified period of more than one month if the renewal causes the service contract to be in effect more than six months after the day of the initiation of the service contract. Such renewal is effective unless the consumer gives notice to the seller of the consumer’s intention to terminate the service contract. This term does not include a contract renewal for services provided by a telecommunications carrier or its affiliate when either the carrier or the affiliate is regulated by the South Carolina Public Service Commission or the Federal Communications Commission. This term also does not include a contract renewal for services provided by any broadband entity covered by Act 175 of 2020, known as the Broadband Accessibility Act.

 (32) “Service contract” means a written contract for the performance of services over a fixed period of time or for a specified duration. This term does not include service contracts sold or offered for sale to persons other than a natural person or an individual for personal, family, or household purposes and does not include contracts for services provided by an entity incorporated under Chapter 49, Title 33.

Time effective

SECTION 5. This act takes effect upon approval by the Governor.

Ratified the 15th day of May, 2024.

Approved the 20th day of May, 2024.

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