S T A T E O F N E W Y O R K

4908

2009-2010 Regular Sessions

I N A S S E M B L Y

February 6, 2009

Introduced by M. of A. PHEFFER, FIELDS -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to unlawful trial offers

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph b of subdivision 1 of section 396-mm of the general business law, as added by chapter 508 of the laws of 2007, is amended to read as follows:

b. At least fifteen, but not more than thirty days before a consumer is required to cancel a free trial, [in which a credit card is billed,] the person, partnership, firm, association, corporation or agent or employee thereof shall send to the consumer the terms of the offer and the deadline to cancel; provided, however, that where a free trial offer ends in less than thirty days, the terms of the offer and the deadline to cancel shall be sent at least seven days before a consumer is required to cancel the free trial. Such notice is not required when the free trial is a magazine or newspaper subscription and at any time cancellation occurs the consumer shall receive a refund for issues not mailed; provided, however, that such refund option is disclosed with the free trial subscription offer.

S 2. Subdivision 3 of section 396-mm of the general business law is renumbered subdivision 4 and a new subdivision 3 is added to read as follows:

3. THIS SECTION SHALL NOT APPLY TO ANY PURCHASE WHEN THE PERSON, PARTNERSHIP, FIRM, ASSOCIATION, CORPORATION OR AGENT OR EMPLOYEE THEREOF DOES NOT DEBIT OR CHARGE ANY CONSUMER ACCOUNT AND SENDS THE CONSUMER AN INVOICE REQUESTING PAYMENT WHICH INCLUDES INFORMATION ABOUT HOW TO CANCEL A FREE TRIAL.

S 3. This act shall take effect on the first of April next succeeding the date on which it shall have become a law.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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