

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

SENATE BILL 910

4
5 By: Senators Wilkins, Brown, Crumbly, Steele
6 By: Representatives Sumpter, Key, Cooper, Burris, Ragland, L. Smith

For An Act To Be Entitled

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10 AN ACT TO PROTECT COMSUMERS BY PROHIBITING THE
11 AUTOMATIC RENEWAL OF PROFESSIONAL HOME SECURITY
12 SERVICES CONTRACTS; TO PROVIDE THE CONSUMER WITH
13 THE OPTION OF MONTHLY RENEWALS TERMINABLE AT WILL
14 WITHOUT PENALTY; TO PROVIDE THE CONSUMER WITH
15 CONSPICUOUS NOTICE OF THE RIGHT OF TERMINATION;
16 AND FOR OTHER PURPOSES.

Subtitle

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19 TO PROTECT COMSUMERS BY PROHIBITING THE
20 AUTOMATIC RENEWAL OF PROFESSIONAL HOME
21 SECURITY SERVICES CONTRACTS.

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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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26 SECTION 1. Arkansas Code § 4-86-106 is amended to read as follows:

27 4-86-106. Automatic renewal of professional home security contracts
28 prohibited.

29 (a) ~~No contract for~~ Except as provided in subsection (c) of this
30 section, no professional home security services contract that is entered into
31 after August 1, 2003, shall state that the term of the professional home
32 security services contract will automatically be renewed for any additional
33 period beyond the initial term of the professional home security services
34 contract.

35 (b) ~~No contract for~~ Except as provided in subsection (c) of this
36 section, no professional home security services contract under subsection (a)



1 of this section shall be renewed for any additional period beyond the initial
2 term of the professional home security services contract unless the person
3 receiving the professional home security ~~service~~ services affirmatively
4 notifies the person offering the ~~service~~ professional home security services
5 that he or she wishes to renew the professional home security services
6 contract.

7 (c)(1) A provider of professional home security services and a person
8 may enter into a professional home security services contract that has a
9 fixed initial term and successive, automatic monthly renewal terms.

10 (2) If the professional home security services contract contains
11 a renewal clause as described in subdivision (c)(1) of this section, then:

12 (A) The professional home security services contract shall
13 conspicuously state that the person receiving the professional home security
14 services has the right without additional cost or penalty to terminate the
15 professional home security services contract at the end of the initial term
16 or the then current renewal; and

17 (B) The person shall provide the provider of the
18 professional home security services with notice of his or her intent to
19 terminate by written notice at least thirty (30) days before the expiration
20 of the initial term or the then current renewal term.

21 ~~(e)~~(d) This section does not affect the initial term of a professional
22 home security services contract under subsection (a) of this section, and
23 does not prohibit any person from offering to renew a professional home
24 security services contract under subsection (a) of this section.

25 ~~(d)~~(e) If a professional home security services contract under this
26 section is renewed in violation of this section, the person receiving the
27 professional home security ~~service~~ services may without additional cost or
28 penalty immediately void terminate the professional home security services
29 contract by giving a written termination notice to the provider and shall not
30 be obligated to perform under the professional home security services
31 contract as renewed.

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