

Consumer Convenience in Contracts Coalition

February 8, 2023

The Honorable Doug Larsen, Chair
Senate Industry and Business Committee
North Dakota Legislature
600 E. Boulevard Avenue
Bismarck, ND 58501

RE: House Bill 1228 – Support with Amendments

Dear Chairman Larsen:

Internet Coalition's Consumer Convenience in Contracts Coalition ("IC CCCC") appreciates the opportunity to write in favor of HB 1228 with amendments. IC CCCC consists of trade associations including the Entertainment Software Association, Internet Coalition, News/Media Alliance, and TechNet. Collectively this group represents hundreds of the country's leading technology companies in the high-tech manufacturing, computer networking and information technology, clean energy, life sciences, ecommerce, on and off-line media and entertainment, education and sharing economy sectors. Members are committed to advancing public policies and private sector initiatives that make the U.S. the most innovative country in the world.

Requested Amendments to update the North Dakota Automatic Renewal law

We have no concerns with expanding the bill to services, including online services provided by members of our coalition, but would ask that outlier provisions in the underlying law be amended or that more traditional timeframes and procedures found in most other states' automatic renewal laws be applied to these services.

For instance, of the 25 states that regulate automatic renewals, five states don't have reminder provisions at all (LA, NY, OR, TN and VA). Seven states apply reminders only to contracts one year or more (DC, FL, GA, HI, IL, ME, and VT). Eight states have provisions that apply only to specific industries for such reminders, and five states have laws that are unique. North Dakota is one of those unique states.

Therefore, as you consider this bill, we ask that a reminder for online services apply only to contracts that are one year or more. This will enable online services wishing to serve multiple state customers to avoid redesigning reminder schedules specifically for North Dakota.

However, North Dakota law currently prohibits any autorenewal of a contract for merchandise longer than one year. We understand the state may be concerned about locking consumers into long term contracts, but some companies provide significant price reductions to consumers willing to agree to longer time periods, and this is common for some services. We ask that you remove this restriction so that North Dakota consumers may determine whether or not they would like longer term contracts.

We are sure you often hear concerns about a patchwork of state laws, making it more difficult for companies providing services across multiple states to offer products and services to consumers. We respectfully request that expansion of this law to services be done in line with the prevailing model for reminders and allow North Dakota consumers continue to receive the benefits and convenience some longer automatic renewals provide.

Please feel to contact Tammy Cota, Executive Director of the Internet Coalition at tammy@theinternetcoalition.com / 802-279-3534 with questions or if you would like to discuss this further.

Sincerely,

Internet Coalition
Entertainment Software Association
News/Media Alliance
TechNet

enc: Proposed Amendments to HB 1228
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