§ 75-41. Contracts with automatic renewal clauses.

(a) Any person engaged in commerce that sells, leases, or offers to sell or lease, any products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, shall do all of the following:

(1) Disclose the automatic renewal clause clearly and conspicuously in the contract or contract offer.

(2) Disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer, or with delivery of products or services.

(3) For any automatic renewal exceeding 60 days, provide written notice to the consumer by personal delivery, email, or first-class mail, at least 15 days but no earlier than 45 days before the date the contract is to be automatically renewed, stating the date on which the contract is scheduled to automatically renew and notifying the consumer that the contract will automatically renew unless it is cancelled by the consumer prior to that date.

(4) If the terms of the contract will change upon the automatic renewal of the contract, disclose the changing terms of the contract clearly and conspicuously on the notification in at least 12 point type and in bold print.

(b) Repealed by Session Laws 2016-113, s. 16(a), effective July 26, 2016, and applicable to contracts entered into on or after that date.

(c) A person that fails to comply with the requirements of this section is in violation of this section unless the person demonstrates that all of the following are its routine business practice:

(1) The person has established and implemented written procedures to comply with this section and enforces compliance with the procedures.

(2) Any failure to comply with this section is the result of error.

(3) Where an error has caused the failure to comply with this section, the person provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the contract, or the date of the subsequent notice of renewal, whichever occurs first.

(d) This section does not apply to insurers licensed under Chapter 58 of the General Statutes, or to banks, trust companies, savings and loan associations, savings banks, or credit unions licensed or organized under the laws of any state or the United States, or any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof, nor does this section apply to any entity subject to regulation by the Federal Communications Commission under Title 47 of the United States Code or by the North Carolina Utilities Commission under Chapter 62 of the General Statutes, or to any entity doing business directly or through an affiliate pursuant to a franchise, license, certificate, or other authorization issued by a political subdivision of the State or an agency thereof.

(d1) This section does not apply to real estate professionals licensed under Chapter 93A of the General Statutes.

(e) A violation of this section renders the automatic renewal clause void and unenforceable. (2007-288, s. 1; 2007-507, s. 17; 2016-113, s. 16(a); 2018-114, s. 4(a); 2025-25, s. 29(1).)