

Del. Code tit. 6 § 2734

Section 2734 - Contracts with automatic renewal provisions

(a) A seller that sells, leases, or offers to sell or lease any merchandise to a consumer under a contract that contains an automatic renewal provision shall disclose the terms of the automatic renewal provision clearly and conspicuously at the time the contract is entered into.

(b) A seller that sells or leases any merchandise to a consumer under a contract that is renewed for a specified period of more than 1 month if the renewal causes the contract to be in effect more than 12 months after the day of the initiation of the contract, shall notify the consumer of each upcoming extension of the contract no less than 30 days and no more than 60 days before the cancellation deadline under the automatic renewal provision. The notification required under this subsection must clearly and conspicuously disclose all of the following:

- (1)** That unless the consumer cancels the contract, the contract will automatically renew.
- (2)** The date by which the consumer must cancel the contract to avoid automatic renewal.
- (3)** The procedures the consumer must follow to cancel the contract. If the consumer entered into the contract online, the seller must provide an online procedure for a consumer to cancel the contract.
- (4)** How the consumer may obtain details of the automatic renewal provision, including any of the following:
 - a.** Contacting the seller at a specified telephone number or address.
 - b.** Providing a copy of the provision.
 - c.** Providing access to the contract.
 - d.** By any other appropriate method.

(c) A seller that fails to comply with the requirements of this section is in violation of this subchapter unless the seller demonstrates all of the following:

- (1)** As part of the seller's routine business practice, the seller does all of the following:
 - a.** Establishes and implements written procedures to comply with this section.
 - b.** Enforces compliance with the procedures established under paragraph (c)(1)a. of this section.

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

(3) As part of the seller's routine business practice, where an error has caused the failure to comply with this section, the unearned portion of the contract subject to the automatic renewal provision is refunded as of the date on which the seller is notified of the error or becomes aware of the error, whichever is earlier.

(d) This section does not apply to any of the following:

- (1)** Matters subject to the jurisdiction of the Public Service Commission.
- (2)** Matters subject to the jurisdiction of the Insurance Commission of this State.
- (3)** Matters subject to the jurisdiction of the Federal Communications Commission.
- (4)** Leases subject to the Residential Landlord-Tenant Code, Chapters 51 through 59 of Title 25, or the Manufactured Homes and Manufactured Home Communities Act, Chapter 70 of Title 25.

6 Del. C. § 2734

Amended by Laws 2023 , ch. 233, s 7, eff. 9/21/2023.

Added by Laws 2021 , ch. 115, s 1, eff. 8/4/2021.

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