

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

ENGROSSED

LLS NO. M02-1162.01 Duane Gall

SJM02-002

SENATE SPONSORSHIP

Teck,

HOUSE SPONSORSHIP

Marshall,

Senate Committees

House Committees

SENATE JOINT MEMORIAL 02-002

101 CONCERNING MEMORIALIZING CONGRESS TO REQUIRE CONSPICUOUS
102 DISCLOSURE OF ROLLOVER BILLING IN CONSUMER CREDIT
103 TRANSACTIONS.

1 WHEREAS, Consumers are increasingly offered the opportunity
2 to enter into renewable subscriptions and other transactions in which
3 payments for goods or services are made by periodic charges against their
4 credit cards; and

5 WHEREAS, Such "rollover billing", as it is commonly known, is
6 typically used in connection with the registration of domain names, the
7 purchase of services from internet service providers, and other on-line
8 transactions, although it is by no means limited to on-line transactions;
9 and

10 WHEREAS, Contractual provisions concerning rollover billing
11 tend to be neither conspicuous nor uniform from one merchant to another;
12 and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Final Reading
May 8, 2002

1 WHEREAS, In the case of on-line transactions, the customer may
2 believe he or she has no meaningful alternative but to assent to a lengthy
3 user agreement by clicking "I Agree" as a condition of completing a
4 purchase; and

5 WHEREAS, Although it is thus easy to enter into a rollover billing
6 arrangement, the means of extricating oneself after cancellation of the
7 contract often require much more effort, together with meticulous
8 adherence to a series of steps that can be gleaned only from a detailed
9 re-reading of the user agreement; and

10 WHEREAS, The provisions of 15 U.S.C. § 1666 and other federal
11 laws governing disputed credit card charges, while providing consumers
12 a mechanism for the eventual removal of unauthorized charges, do not
13 currently address the problem of how to avoid the imposition of such
14 charges in the first place; and

15 WHEREAS, Pending the resolution of disputes under 15 U.S.C.
16 § 1666, many consumers are forced to cancel their existing credit cards
17 to avoid further unauthorized charges and damage to their credit ratings;
18 and

19 WHEREAS, Existing state-law remedies for sharp and devious
20 practices involving consumer credit transactions may not be adequate to
21 protect consumers against out-of-state or multi-state operations; now,
22 therefore,

23 *Be It Resolved by the Senate of the Sixty-third General Assembly*
24 *of the State of Colorado, the House of Representatives concurring herein:*

25 That we, the members of the Colorado General Assembly, urge
26 Congress to adopt nationally applicable standards and requirements for
27 the conspicuous disclosure of rollover billing provisions in consumer
28 credit transactions.

29 *Be It Further Resolved,* That copies of this Joint Memorial be sent
30 to each member of Colorado's Congressional Delegation.