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HOUSE BILL 885

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Keith J. Gardner

AN ACT

RELATING TO CELLULAR TELEPHONE SERVICE CONTRACTS; REQUIRING  
CELLULAR TELEPHONE SERVICE COMPANIES TO PERMIT THIRTY-DAY GRACE  
PERIODS AND GRADUATED PAYMENT OF EARLY TERMINATION FEES FOR  
CANCELLATIONS AFTER THIRTY DAYS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Cellular Telephone  
Services Act is enacted to read:

"[NEW MATERIAL] CELLULAR TELEPHONE SERVICE CONTRACTS--  
TERMINATION FEE GRACE PERIOD--GRADUATED PAYMENT.--A cellular  
service contract between a cellular service company and an  
individual customer for a two-year service period that contains  
provisions requiring the payment of a fee for termination  
before the expiration of the two-year period shall:

A. permit the customer thirty days from the date of

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1 signing the contract in which to rescind the contract for any  
2 reason, free of charge, provided that the customer return any  
3 equipment the cellular service company provided to the customer  
4 in reasonably the same condition as the equipment was provided  
5 to the customer;

6 B. permit the customer to pay a sum equal to  
7 one-half of the early termination fee if the customer cancels  
8 the contract within thirty-one to three hundred sixty-five days  
9 of the date of signing the contract;

10 C. permit the customer to pay a sum equal to  
11 one-quarter of the early termination fee if the customer  
12 cancels the contract within three hundred sixty-six days to  
13 four hundred fifty-six days after signing the contract; and

14 D. permit the customer to cancel the contract  
15 without paying any termination fee if the customer cancels the  
16 contract four hundred fifty-seven days or more after signing  
17 the contract."