

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **House Bill 2851**

By Delegate Young

[Introduced February 24, 2025; referred to the  
Committee on the Judiciary]

1 A BILL to amend and reenact §46A-1-102 of the Code of West Virginia, 1931, as amended; and to  
2 add a new section thereto, designated §46A-2-141; relating to requiring businesses to  
3 obtain a consumer's express affirmative consent to automatic renewal or continuous  
4 service offers; providing definitions; and setting requirements for notice to consumers  
5 regarding affirmative consent.

*Be it enacted by the Legislature of West Virginia:*

## **ARTICLE 1. SHORT TITLE, DEFINITIONS, AND GENERAL PROVISIONS.**

### **§46A-1-102. General definitions.**

1 In addition to definitions appearing in subsequent articles, in this chapter:

2 (1) "Actuarial method" means the method, defined by rules adopted by the commissioner,  
3 of allocating payments made on a debt between principal or amount financed and loan finance  
4 charge or sales finance charge pursuant to which a payment is applied first to the accumulated  
5 loan finance charge or sales finance charge and the balance is applied to the unpaid principal or  
6 unpaid amount financed.

7 (2) "Agreement" means the bargain of the parties in fact as found in their language or by  
8 implication from other circumstances including course of dealing or usage of trade or course of  
9 performance. A "consumer credit agreement" is an agreement where credit is granted.

10 (3) "Agricultural purpose" means a purpose related to the production, harvest, exhibition,  
11 marketing, transportation, processing or manufacture of agricultural products by a natural person  
12 who cultivates, plants, propagates or nurtures the agricultural products. "Agricultural products"  
13 includes agricultural, horticultural, viticultural and dairy products, livestock, wildlife, poultry, bees,  
14 forest products, fish and shellfish, and any products thereof, including processed and  
15 manufactured products, and any and all products raised or produced on farms and any processed  
16 or manufactured products thereof.

17 (4) "Amount financed" means the total of the following items to the extent that payment is  
18 deferred:

(a) The cash price of the goods, services or interest in land, less the amount of any down payment whether made in cash or in property traded in;

(b) The amount actually paid or to be paid by the seller pursuant to an agreement with the buyer to discharge a security interest in or a lien on property traded in; and

(c) If not included in the cash price:

(i) Any applicable sales, use, privilege, excise or documentary stamp taxes;

(ii) Amounts actually paid or to be paid by the seller for registration, certificate of title or license fees; and

(iii) Additional charges permitted by this chapter.

(5) "Automatic renewal" means a plan, arrangement, or provision of a contract that contains a free-to-pay conversion or in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.

(6) "Automatic renewal offer terms" and "continuous service offer terms" means the following clear and conspicuous disclosures:

(a) That the subscription or purchasing agreement will continue until the consumer cancels.

(b) The description of the cancellation policy that applies to the offer.

(c) The recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known.

(d) The length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer.

(e) The minimum purchase obligation, if any.

~~(5)~~ (7) "Average daily balance" in a billing cycle for which a sales finance charge or loan finance charge is made is the sum of the amount unpaid each day during that cycle divided by the

number of days in that cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all purchases and other debits and deducting all payments and other credits made or received as of that day.

~~(6)~~ (8) The "cash price" of goods, services or an interest in land means the price at which the goods, services or interest in land are offered for sale by the seller to cash buyers in the ordinary course of business, and may include: (a) Applicable sales, use, privilege, and excise and documentary stamp taxes; (b) the cash price of accessories or related services such as delivery, installation, servicing, repairs, alterations and improvements; and (c) amounts actually paid or to be paid by the seller for registration, certificate of title or license fees.

(9) "Clear and conspicuous" or "clearly and conspicuously" means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language. In the case of an audio disclosure, "clear and conspicuous" and "clearly and conspicuously" means in a volume and cadence sufficient to be readily audible and understandable.

~~(7)~~ (10) "Closing costs" with respect to a debt secured by an interest in land include:

(a) Fees or premiums for title examination, title insurance or similar purposes including surveys;

(b) Fees for preparation of a deed, deed of trust, mortgage, settlement statement or other documents;

(c) Escrows for future payments of taxes and insurance;

(d) Official fees and fees for notarizing deeds and other documents;

(e) Appraisal fees; and

(f) Credit reports.

~~(8)~~ (11) "Code" means the official Code of West Virginia, 1931, as amended.

~~(9)~~ (12) "Commercial facsimile transmission" means the electronic or telephonic

71 transmission in the state to a facsimile device to encourage a person to purchase goods, realty or  
72 services.

73 ~~(40)~~ (13) "Commissioner" means the commissioner of banking of West Virginia.

74 ~~(41)~~ (14) "Conspicuous": A term or clause is conspicuous when it is so written that a  
75 reasonable person against whom it is to operate ought to have noticed it. Whether a term or clause  
76 is conspicuous or not is for decision by the court.

77 ~~(42)~~ (15) "Consumer" means a natural person who incurs debt pursuant to a consumer  
78 credit sale or a consumer loan, or debt or other obligations pursuant to a consumer lease.

79 ~~(43)~~ (16) (a) Except as provided in paragraph (b), "consumer credit sale" is a sale of  
80 goods, services or an interest in land in which:

81 (i) Credit is granted either by a seller who regularly engages as a seller in credit  
82 transactions of the same kind or pursuant to a seller credit card;

83 (ii) The buyer is a person other than an organization;

84 (iii) The goods, services or interest in land are purchased primarily for a personal, family,  
85 household or agricultural purpose;

86 (iv) Either the debt is payable in installments or a sales finance charge is made; and

87 (v) With respect to a sale of goods or services, the amount financed does not exceed  
88 \$45,000 or the sale is of a factory-built home as defined in section two, article fifteen, chapter  
89 thirty-seven of this code.

90 (b) "Consumer credit sale" does not include a sale in which the seller allows the buyer to  
91 purchase goods or services pursuant to a lender credit card or similar arrangement.

92 ~~(44)~~ (17) (a) "Consumer lease" means a lease of goods:

93 (i) Which a lessor regularly engaged in the business of leasing makes to a person, other  
94 than an organization, who takes under the lease primarily for a personal, family, household or  
95 agricultural purpose;

96 (ii) In which the total of payments under the lease, excluding payments for options to renew

or buy, do not exceed \$45,000 or in which the lease is of a factory-built home as defined in section two, article fifteen, chapter thirty-seven of this code; and

(iii) Which is for a term exceeding four months.

(b) "Consumer lease" does not include a lease made pursuant to a lender credit card or similar arrangement.

~~(15)~~ (18) "Consumer loan" is a loan made by a person regularly engaged in the business of making loans in which:

(a) The debtor is a person other than an organization;

(b) The debt is incurred primarily for a personal, family, household or agricultural purpose;

(c) Either the debt is payable in installments or a loan finance charge is made; and

(d) Either the principal does not exceed \$45,000 or the debt is secured by an interest in land or a factory-built home as defined in section two, article fifteen, chapter thirty-seven of this code.

(19) "Continuous service" means a plan, arrangement, or provision of a contract that contains a free-to-pay conversion or in which a paid subscription or purchasing agreement continues until the consumer cancels the service.

~~(16)~~ (20) "Cosigner" means a natural person who assumes liability for the obligation on a consumer credit sale or consumer loan without receiving goods, services or money in return for the obligation or, in the case of a revolving charge account or revolving loan account of a consumer, without receiving the contractual right to obtain extensions of credit under the account. The term cosigner includes any person whose signature is requested as a condition to granting credit to a consumer or as a condition for forbearance on collection of a consumer's obligation that is in default. The term cosigner does not include a spouse whose signature is required to perfect a security interest. A person who meets the definition in this paragraph is a "cosigner" whether or not the person is designated as such on the credit obligation.

~~(17)~~ (21) "Credit" means the privilege granted by a creditor to a debtor to defer payment of

123 debt or to incur debt and defer its payment.

124 ~~(48)~~ (22) "Earnings" means compensation paid or payable to an individual or for his or her  
125 account for personal services rendered or to be rendered by him or her, whether denominated as  
126 wages, salary, commission, bonus or otherwise, and includes periodic payments pursuant to a  
127 pension, retirement or disability program.

128 ~~(49)~~ (23) "Facsimile device" means a machine that receives and copies reproductions or  
129 facsimiles of documents or photographs that have been transmitted electronically or telephonically  
130 over telecommunications lines.

131 ~~(20)~~ (24) "Federal Consumer Credit Protection Act" means the "Consumer Credit  
132 Protection Act" (Public Law 90-321; 82 Stat. 146), as amended, and includes regulations issued  
133 pursuant to that act.

134 (25) "Free-to-pay conversion" means, in an offer or agreement to sell or provide any goods  
135 or services, a provision under which a customer receives a product or service for free for an initial  
136 period and will incur an obligation to pay for the product or service if they do not take affirmative  
137 action to cancel before the end of that period.

138 ~~(24)~~ (26) "Goods" includes goods not in existence at the time the transaction is entered into  
139 and gift and merchandise certificates, but excludes money, chattel paper, documents of title and  
140 instruments.

141 ~~(22)~~ (27) "Home solicitation sale" means a consumer credit sale in excess of \$25 in which  
142 the buyer receives a solicitation of the sale at a place other than the seller's business  
143 establishment at a fixed location and the buyer's agreement or offer to purchase is there given to  
144 the seller or a person acting for the seller. The term does not include a sale made pursuant to a  
145 preexisting open-end credit account with the seller in existence for at least three months prior to  
146 the transaction, a sale made pursuant to prior negotiations between the parties at the seller's  
147 business establishment at a fixed location, a sale of motor vehicles, mobile homes or farm  
148 equipment or a sale which may be rescinded under the federal Truth in Lending Act (being Title I of

the federal Consumer Credit Protection Act). A sale which would be a home solicitation sale if credit were extended by the seller is a home solicitation sale although the goods or services are paid for, in whole or in part, by a consumer loan in which the creditor is subject to claims and defenses arising from the sale.

~~(23)~~ (28) Except as otherwise provided, "lender" includes an assignee of the lender's right to payment but use of the term does not in itself impose on an assignee any obligation of the lender.

~~(24)~~ (29) "Lender credit card or similar arrangement" means an arrangement or loan agreement, other than a seller credit card, pursuant to which a lender gives a debtor the privilege of using a credit card, letter of credit or other credit confirmation or identification in transactions out of which debt arises:

(a) By the lender's honoring a draft or similar order for the payment of money drawn or accepted by the consumer;

(b) By the lender's payment or agreement to pay the consumer's obligations; or

(c) By the lender's purchase from the obligee of the consumer's obligations.

~~(25)~~ (30) "Loan" includes:

(a) The creation of debt by the lender's payment of or agreement to pay money to the consumer or to a third party for the account of the consumer other than debts created pursuant to a seller credit card;

(b) The creation of debt by a credit to an account with the lender upon which the consumer is entitled to draw immediately;

(c) The creation of debt pursuant to a lender credit card or similar arrangement; and

(d) The forbearance of debt arising from a loan.

~~(26)~~ (31) (a) "Loan finance charge" means the sum of: (i) All charges payable directly or indirectly by the debtor and imposed directly or indirectly by the lender as an incident to the extension of credit, including any of the following types of charges which are applicable: Interest or



any amount payable under a point, discount or other system of charges, however denominated, premium or other charge for any guarantee or insurance protecting the lender against the consumer's default or other credit loss; and (ii) charges incurred for investigating the collateral or credit worthiness of the consumer or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable, unless the lender had no notice of the charges when the loan was made. The term does not include charges as a result of default, additional charges, delinquency charges or deferral charges.

(b) If a lender makes a loan to a consumer by purchasing or satisfying obligations of the consumer pursuant to a lender credit card or similar arrangement, and the purchase or satisfaction is made at less than the face amount of the obligation, the discount is not part of the loan finance charge.

~~(27)~~ (32) "Merchandise certificate" or "gift certificate" means a writing issued by a seller or issuer of a seller credit card, not redeemable in cash and usable in its face amount in lieu of cash in exchange for goods or services.

~~(28)~~ (33) "Official fees" means:

(a) Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating or satisfying a security interest related to a consumer credit sale or consumer loan; or

(b) Premiums payable for insurance or fees escrowed in a special account for the purpose of funding self-insurance or its equivalent in lieu of perfecting a security interest otherwise required by the creditor in connection with the sale, lease or loan, if such premium or fee does not exceed the fees and charges described in paragraph (a) of this subdivision which would otherwise be payable.

~~(29)~~ (34) "Organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative or association.

~~(30)~~ (35) "Payable in installments" means that payment is required or permitted by

201 agreement to be made in: (a) Two or more periodic payments, excluding a down payment, with  
202 respect to a debt arising from a consumer credit sale pursuant to which a sales finance charge is  
203 made; (b) four or more periodic payments, excluding a down payment, with respect to a debt  
204 arising from a consumer credit sale pursuant to which no sales finance charge is made; or (c) two  
205 or more periodic payments with respect to a debt arising from a consumer loan. If any periodic  
206 payment other than the down payment under an agreement requiring or permitting two or more  
207 periodic payments is more than twice the amount of any other periodic payment, excluding the  
208 down payment, the consumer credit sale or consumer loan is "payable in installments".

209 ~~(34)~~ (36) "Person" or "party" includes a natural person or an individual, and an  
210 organization.

211 ~~(32)~~ (37) "Person related to" with respect to an individual means: (a) The spouse of the  
212 individual; (b) a brother, brother-in-law, sister or sister-in-law of the individual; (c) an ancestor or  
213 lineal descendant of the individual or his or her spouse; and (d) any other relative, by blood or  
214 marriage, of the individual or his or her spouse who shares the same home with the individual.  
215 "Person related to" with respect to an organization means: (a) A person directly or indirectly  
216 controlling, controlled by or under common control with the organization; (b) an officer or director  
217 of the organization or a person performing similar functions with respect to the organization or to a  
218 person related to the organization; (c) the spouse of a person related to the organization; and (d) a  
219 relative by blood or marriage of a person related to the organization who shares the same home  
220 with him or her.

221 ~~(33)~~ (38) "Precomputed loan". A loan, refinancing or consolidation is "precomputed" if:

222 (A) The debt is expressed as a sum comprising the principal and the amount of the loan  
223 finance charge computed in advance; or

224 (B) The loan is expressed in terms of the principal amount; the loan installment payments  
225 are a scheduled, fixed amount including principal and interest and assume payment on the  
226 installment due date; and interest payments will not vary or result in an adjustment during the term

of the loan or at its final payment as a result of the actual installment payment dates.

~~(34)~~ (39) "Precomputed sale". A sale, refinancing or consolidation is "precomputed" if:

(A) The debt is expressed as a sum comprising the amount financed and the amount of the sales finance charge computed in advance; or

(B) The debt is expressed in terms of the principal amount; the debt installment payments are a scheduled, fixed amount including principal and interest and assume payment on the installment due date; and interest payments will not vary or result in an adjustment during the term of the debt or at its final payment as a result of the actual installment payment dates.

~~(35)~~ (40) "Presumed" or "presumption" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

~~(36)~~ (41) "Principal" of a loan means the total of:

(a) The net amount paid to, receivable by or paid or payable for the account of the debtor;

(b) The amount of any discount excluded from the loan finance charge; and

(c) To the extent that payment is deferred:

(i) Amounts actually paid or to be paid by the lender for registration, certificate of title or license fees if not included in paragraph (a) of this subdivision; and

(ii) Additional charges permitted by this chapter.

~~(37)~~ (42) "Regulated consumer lender" means a person authorized to make or take assignments of regulated consumer loans.

~~(38)~~ (43) "Regulated consumer loan" means a consumer loan, including a loan made pursuant to a revolving loan account, in which the rate of the loan finance charge exceeds eighteen percent per year as determined according to the actuarial method, except where the loan qualifies for federal law preemption from state interest rate limitations, including federal law bank parity provisions, or where the lender is specifically permitted by state law other than article four of this chapter to make the loan at that rate without a requirement the lender hold a regulated

253 consumer lender license.

254 ~~(39)~~ (44) "Revolving charge account" means an agreement between a seller and a buyer  
255 by which: (a) The buyer may purchase goods or services on credit or a seller credit card; (b) the  
256 balances of amounts financed and the sales finance and other appropriate charges are debited to  
257 an account; (c) a sales finance charge if made is not precomputed but is computed periodically on  
258 the balances of the account from time to time; and (d) there is the privilege of paying the balances  
259 in installments.

260 ~~(40)~~ (45) "Revolving loan account" means an arrangement between a lender and a  
261 consumer including, but not limited to, a lender credit card or similar arrangement, pursuant to  
262 which: (a) The lender may permit the consumer to obtain loans from time to time; (b) the unpaid  
263 balances of principal and the loan finance and other appropriate charges are debited to an  
264 account; (c) a loan finance charge if made is not precomputed but is computed periodically on the  
265 outstanding unpaid balances of the principal of the consumer's account from time to time; and (d)  
266 there is the privilege of paying the balances in installments.

267 ~~(41)~~ (46) "Sale of goods" includes any agreement in the form of a bailment or lease of  
268 goods if the bailee or lessee agrees to pay as compensation for use a sum substantially equivalent  
269 to or in excess of the aggregate value of the goods involved and it is agreed that the bailee or  
270 lessee will become, or for no other or a nominal consideration has the option to become, the owner  
271 of the goods upon full compliance with his or her obligations under the agreement.

272 ~~(42)~~ (47) "Sale of an interest in land" includes a lease in which the lessee has an option to  
273 purchase the interest and all or a substantial part of the rental or other payments previously made  
274 by him or her are applied to the purchase price.

275 ~~(43)~~ (48) "Sale of services" means furnishing or agreeing to furnish services and includes  
276 making arrangements to have services furnished by another.

277 ~~(44)~~ (49) "Sales finance charge" means the sum of: (a) All charges payable directly or  
278 indirectly by the buyer and imposed directly or indirectly by the seller or issuer of a seller credit

card as an incident to the extension of credit, including any of the following types of charges which are applicable: Time-price differential, however denominated, including service, carrying or other charge, premium or other charge for any guarantee or insurance protecting the seller against the buyer's default or other credit loss; and (b) charges incurred for investigating the collateral or credit worthiness of the buyer or for commissions or brokerage for obtaining the credit, irrespective of the person to whom the charges are paid or payable; unless the seller had no notice of the charges when the credit was granted. The term does not include charges as a result of default, additional charges, delinquency charges or deferral charges. If the seller or issuer of a seller credit card purchases or satisfies obligations of the consumer and the purchase or satisfaction is made at less than the face amount of the obligation, the discount is not part of the sales finance charge.

~~(45)~~ (50) Except as otherwise provided, "seller" includes an assignee of the seller's right to payment but use of the term does not in itself impose on an assignee any obligation of the seller.

~~(46)~~ (51) "Seller credit card" means an arrangement pursuant to which a person gives to a buyer or lessee the privilege of using a credit card, letter of credit, or other credit confirmation or identification primarily for the purpose of purchasing or leasing goods or services from that person, that person and any other person or persons, a person related to that person, or others licensed or franchised or permitted to do business under his or her business name or trade name or designation or on his or her behalf.

~~(47)~~ (52) "Services" includes: (a) Work, labor and other personal services; (b) privileges with respect to transportation, use of vehicles, hotel and restaurant accommodations, education, entertainment, recreation, physical culture, hospital accommodations, funerals, cemetery accommodations, and the like; and (c) insurance.

~~(48)~~ (53) "Supervised financial organization" means any organization, corporation or person, other than an insurance company or other organization primarily engaged in an insurance business, which is required under state law to register or obtain a license from the commissioner of banking before conducting business in this state; or which is authorized under federal law to make

consumer loans without a license from the state commissioner of banking, provided such loans are subject to supervision and examination by an official or agency of the United States.

**§46A-2-141. Automatic renewal and continuous service offers.**

(1) It is unlawful for any business that makes an automatic renewal offer or continuous service offer to a consumer in this state to do any of the following:

(a) Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity, or, in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer. If the offer also includes a free gift or trial, the offer shall include a clear and conspicuous explanation of the price that will be charged after the trial ends or the manner in which the subscription or purchasing agreement pricing will change upon conclusion of the trial.

(b) Charge the consumer's credit or debit card, or the consumer's account with a third party, for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms, including the terms of an automatic renewal offer or continuous service offer that is made at a promotional or discounted price for a limited period of time.

(c) Fail to provide an acknowledgment that includes the automatic renewal offer terms or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. If the automatic renewal offer or continuous service offer includes a free gift or trial, the business shall also disclose in the acknowledgment how to cancel, and allow the consumer to cancel, the automatic renewal or continuous service before the consumer pays for the goods or services.

(d) Fail to obtain the consumer's express affirmative consent to the automatic renewal or continuous service offer terms.

(e) Include any information in the contract that interferes with, detracts from, contradicts, or otherwise undermines the ability of consumers to provide their affirmative consent to the automatic

24 renewal or continuous service.

25 (f) Fail to maintain verification of the consumer's affirmative consent for at least three  
26 years, or one year after the contract is terminated, whichever period is longer.

27 (g) Misrepresent, expressly or by implication, any material fact related to the transaction,  
28 including, but not limited to, the inclusion of an automatic renewal or continuous service, or any  
29 material fact related to the underlying good or service.

30 (h) Fail to provide a consumer with a notice, before confirming the consumer's billing  
31 information and as may be required by subdivision (2), that clearly and conspicuously states all of  
32 the following:

33 (i) That the automatic renewal or continuous service will automatically renew unless the  
34 consumer cancels.

35 (ii) The length and any additional terms of the renewal period.

36 (iii) The amount or range of costs the consumer will be charged and, if applicable, the  
37 frequency of those charges a consumer will incur unless the consumer takes timely steps to  
38 prevent or stop those charges.

39 (iv) One or more methods by which a consumer can cancel the automatic renewal or  
40 continuous service.

41 (v) If the notice is sent electronically, the notice shall include either a link that directs the  
42 consumer to the cancellation process, or another reasonably accessible electronic method that  
43 directs the consumer to the cancellation process if no link exists.

44 (vi) Contact information for the business.

45 (2) A business shall provide a consumer with a notice as specified in paragraph (h) of  
46 subdivision (1) if either of the following is true, provided that if an automatic renewal offer or a  
47 continuous service offer requires a notice under both paragraphs (a) and (h), only the notice  
48 specified in paragraph (b) shall be required:

49 (a) The consumer accepted a free gift or trial, lasting for more than 31 days, that was

50 included in an automatic renewal offer or continuous service offer or the consumer accepted an  
51 automatic renewal offer or continuous service offer at a promotional or discounted price, and the  
52 applicability of that price was more than 31 days.

53 (i) The notice shall be provided at least 3 days before and at most 21 days before the  
54 expiration of the predetermined period of time for which the free gift or trial, or promotional or  
55 discounted price, applies.

56 (ii) An offer shall be exempt from the requirements under this paragraph if the consumer  
57 does not enter into the contract electronically and the business has not collected or maintained the  
58 consumer's valid email address, phone number, or another means of notifying the consumer  
59 electronically.

60 (iii) For purposes of this paragraph, "free gift" does not include a free promotional item or  
61 gift given by the business that differs from the subscribed product.

62 (b) The consumer accepted an automatic renewal offer or continuous service offer with an  
63 initial term of one year or longer, that automatically renews unless the consumer cancels the  
64 automatic renewal or continuous service. In this case, the notice shall be provided at least 15 days  
65 and not more than 45 days before the automatic renewal offer or continuous service offer renews.

66 (3) (a) A business that makes an automatic renewal offer or continuous service offer shall  
67 provide a toll-free telephone number, email address, a postal address if the seller directly bills the  
68 consumer, or it shall provide another cost-effective, timely, and easy-to-use mechanism for  
69 cancellation that shall be described in the acknowledgment specified in paragraph (c) of  
70 subdivision (1).

71 (b) (i) Subject to subparagraph (ii), if a business provides a mechanism for cancellation by  
72 toll-free telephone number, the business shall answer calls promptly during normal business hours  
73 and shall not obstruct or delay the consumer's ability to cancel the automatic renewal or  
74 continuous service.

75 (ii) If a consumer leaves a voicemail with a business requesting cancellation, the business



76 shall, within one business day, either process the requested cancellation or call the consumer  
77 back regarding the cancellation request.

78 (4) (a) In addition to the requirements of subdivision (2), a business that allows a consumer  
79 to accept an automatic renewal or continuous service offer online shall allow a consumer to  
80 terminate the automatic renewal or continuous service exclusively online, at will, and without  
81 engaging any further steps that obstruct or delay the consumer's ability to terminate the automatic  
82 renewal or continuous service immediately. The business shall provide a method of termination  
83 that is online in the form of either of the following:

84 (i) A prominently located direct link or button which may be located within either a customer  
85 account or profile, or within either device or user settings.

86 (ii) By an immediately accessible termination email formatted and provided by the  
87 business that a consumer can send to the business without additional information.

88 (b) The termination requirements of this subdivision apply to the automatic renewal terms  
89 and continuous service terms of the contract and the remaining provisions of the contract continue  
90 to be governed by all applicable laws and regulations.

91 (c) Notwithstanding paragraph (a), a business may require a consumer to enter account  
92 information or otherwise authenticate online before termination of the automatic renewal or  
93 continuous service online if the consumer has an account with the business. A consumer who is  
94 unwilling or unable to enter account information or otherwise authenticate online before  
95 termination of the automatic renewal or continuous service online shall not be precluded from  
96 authenticating or terminating the automatic renewal or continuous service offline using another  
97 method pursuant to subdivision (3).

98 (5) For purposes of subdivisions (3) and (4), providing a discount offer or other consumer  
99 benefit or informing a consumer of the effect of the cancellation shall not be considered an  
100 obstruction or delay, provided that the consumer remains able to cancel or terminate the automatic  
101 renewal or continuous service, as follows:

102 (a) If a consumer conveys a request to cancel by telephone, the business may present the  
103 consumer with a discounted offer, retention benefit, or information regarding the effect of  
104 cancellation, provided that the business first clearly and conspicuously informs the consumer that  
105 they may complete the cancellation process at any time by stating that they want to "cancel" or  
106 words to that effect. If the consumer states their intention to "cancel" or words to that effect, the  
107 business shall promptly process the cancellation and shall not otherwise obstruct or delay the  
108 consumer's ability to cancel.

109 (b) If a consumer conveys a request to cancel by an online system, the business may  
110 display a discounted offer, retention benefit, or information regarding the effects of cancellation,  
111 provided that the business simultaneously displays a prominently located and continuously and  
112 proximately displayed direct link or button entitled "click to cancel," or words to that effect, with the  
113 presentation of the discounted offer, other consumer benefit, or information. If the consumer  
114 utilizes this direct link or button, the business shall promptly process the cancellation and shall not  
115 otherwise obstruct or delay the consumer's ability to proceed to cancellation.

116 (6) The ability to cancel or terminate an automatic renewal or continuous service pursuant  
117 to subdivision (3) or (4) shall be available to the consumer in the same medium that the consumer  
118 used in the transaction that resulted in the activation of the automatic renewal or continuous  
119 service, or the same medium in which the consumer is accustomed to interacting with the  
120 business, including, but not limited to, in person, by telephone, by mail, or by email. If the activation  
121 was by telephone, a telephone number that is capable of being retained by the consumer shall be  
122 available to the consumer to cancel or terminate the automatic renewal or continuous service. The  
123 telephone number shall be clearly and conspicuously displayed on the company's website, if  
124 applicable.

125 (7) (a) In the case of a material change in the terms of the automatic renewal or continuous  
126 service that has been accepted by a consumer in this state, the business shall provide the  
127 consumer with a clear and conspicuous notice of the material change and provide information

128 regarding how to cancel in a manner that is capable of being retained by the consumer.

129 (b) In the case of a change in the fee charged under an existing automatic renewal or  
130 continuous service offer that has been accepted by a consumer in this state, including changes the  
131 consumer affirmatively consented to in an existing plan or arrangement, the business shall  
132 provide, no less than 7 days and no more than 30 days before the fee change takes effect, the  
133 consumer with both of the following:

134 (i) A clear and conspicuous notice of the fee change.

135 (ii) Information regarding how to cancel in a manner that is capable of being retained by the  
136 consumer.

137 (8) (a) A business shall send an annual reminder to a consumer under an annual automatic  
138 renewal agreement or continuous service agreement with the business in the same medium that  
139 resulted in the activation of the automatic renewal or continuous service, or the same medium in  
140 which the customer is accustomed to interacting with the business, including, but not limited to, by  
141 telephone, mail, or email. For originally in-person or voice-based transactions, the business shall  
142 send the reminder by telephone, mail, or any internet-based communication.

143 (b) The reminder sent pursuant to this subdivision shall disclose all of the following:

144 (i) The product or service to which the automatic renewal or continuous service applies.

145 (ii) The frequency and amount of charges associated with the automatic renewal or  
146 continuous service.

147 (iii) The means to cancel the automatic renewal or continuous service.

148 (9) The requirements of this article shall apply only prior to the completion of the initial  
149 order for the automatic renewal or continuous service, except as follows:

150 (a) The requirements in paragraphs (c) and (h) of subdivision (1) may be fulfilled after  
151 completion of the initial order.

152 (b) The requirements in subdivision (2) may be fulfilled after completion of the initial order.

153 (c) The requirement in subdivision (7) shall be fulfilled prior to implementation of the

- 154 material change or fee change.
- 155 (d) The requirement in subdivision (8) shall be fulfilled annually.
- 156 (10) The amendments made to this section by the act adding this section shall only apply to
- 157 a contract entered into, amended, or extended under this article on or after July 1, 2025.

NOTE: The purpose of this bill is to require businesses to obtain a consumer's express affirmative consent to automatic renewal or continuous service offers.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.