

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 3770

By: Sims

AS INTRODUCED

An Act relating to contracts; prohibiting certain automatic renewal actions by businesses; requiring certain contact information for cancellation; requiring ease of cancellation; requiring notice of certain material change; requiring notice before initial order; providing exceptions; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 223 of Title 15, unless there is created a duplication in numbering, reads as follows:

A. It shall be unlawful for any business that makes an automatic renewal or continuous service offer to a consumer in this state to do any of the following:

1. 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;

1        2. Charge the consumer's credit or debit card, or the  
2 consumer's account with a third party, for an automatic renewal or  
3 continuous service without first obtaining the consumer's  
4 affirmative consent to the agreement containing the automatic  
5 renewal offer terms or continuous service offer terms; and

6        3. Fail to provide an acknowledgment, in a plain readable  
7 format, that includes the automatic renewal or continuous service  
8 offer terms, cancellation policy, and information regarding how to  
9 cancel in a manner that is capable of being retained by the  
10 consumer. The process for cancellation of the service shall be as  
11 simple as signup for service. If the offer includes a free trial,  
12 the business shall also disclose in the acknowledgment how to  
13 cancel, and allow the consumer to cancel before the consumer pays  
14 for the goods or services.

15        B. A business that makes an automatic renewal or continuous  
16 service offer shall provide a toll-free telephone number, an  
17 electronic mail address, a postal address if the seller directly  
18 bills the consumer, or another cost-effective, timely, and easy-to-  
19 use mechanism for cancellation that shall be described in the  
20 acknowledgment specified in paragraph 3 of subsection A of this  
21 section.

22        C. In the case of a material change in the terms of the  
23 automatic renewal or continuous service offer that has been accepted  
24 by a consumer in this state, the business shall provide the consumer

1 with a clear and conspicuous notice of the material change and  
2 provide information regarding how to cancel in a manner that is  
3 capable of being retained by the consumer.

4 D. The requirements of this section shall apply only prior to  
5 the completion of the initial order for the automatic renewal or  
6 continuous service, except as follows:

7 1. The requirement in paragraph 3 of subsection A of this  
8 section may be fulfilled after completion of the initial order; or

9 2. The requirement in subsection C of this section shall be  
10 fulfilled prior to implementation of the material change.

11 SECTION 2. This act shall become effective November 1, 2020.

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