

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 3770

By: Sims

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5
6 AS INTRODUCED

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

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

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

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

21 1. Fail to present the automatic renewal offer terms or
22 continuous service offer terms in a clear and conspicuous manner
23 before the subscription or purchasing agreement is fulfilled and in
24 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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