

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1851
Version:	FA1
Request Number:	
Author:	Rep. Schreiber
Date:	3/26/2025
Impact:	OAG: \$230,000

Research Analysis

The floor amendment to HB 1851 makes the following changes:

- Specifies the cancellation link should be direct rather than one-step and found in the consumer's account;
- Removes the provision stating a notice of contract changes must be provided in a manner that the consumer may retain;
- Modifies the automatic renewal notice timeframe from 25 to 40 days to 15 to 45 days before the contract renews;
- Removes the different renewal notice requirements for contracts shorter than 12 months;
- Includes affiliates and subsidiaries of persons regulated by the Federal Communications Commission, the Federal Energy Regulatory Commission, or the Oklahoma Corporation Commission in the exemptions;
- Includes affiliates of persons or entities regulated by the Oklahoma Insurance Department in the exemptions; and
- Includes entities regulated by the Oklahoma Department of Labor under the Alarm, Locksmith, and Fire Sprinkler Industry Act in the exemptions.

HB 1851, as amended, requires anyone selling goods or services to clearly present automatic contract renewal terms before a contract is executed, including details on cancellation policies, recurring charges, contract length, and any minimum purchase obligations. Consumers must be provided with a simple contract cancellation mechanism, such as a direct online link or an in-person option. The measure also requires sellers to inform consumers 15 to 45 days before an automatic renewal for contracts with an initial term of one year that renew for more than one month. If there are material changes to the contract, businesses must inform consumers and provide cancellation instructions. Certain industries, including utilities, telecommunications, financial institutions, insurance, and airlines, are exempt from these requirements.

Prepared By: Autumn Mathews

Fiscal Analysis

The CS to HB1851 sets forth statutory requirements for entities that offer the automatic renewal of certain contracts to consumers. As set forth in the measure, any violation of this act shall constitute an unlawful business practice and shall be subject to the provisions of the Oklahoma

Consumer Protection Act. Officials with the Office of the Attorney General (OAG) have provided the following information:

Given the broad definition of contracts within HB1851, it is difficult to gauge how many actual cases would arise. However, it is likely that the OAG would need another attorney and 0.5 FTE to serve as a Consumer Protection Representative in administering the provisions of the measure. This would come at a total annual cost of \$230,000 for salary and benefits for new staff to help with this added area of law.

Therefore, in its current form, this measure is anticipated to have an impact of \$230,000 annually to the OAG. The agency would seek additional funding to defray these costs.

The FA1 modifies provisions related to the guidelines set forth for the commercial entities to which this act applies to. According to officials with the OAG, the potential enforcement action does not change. Therefore, the FA1 does not change the fiscal impact of the measure.

Prepared By: Robert Flipping IV, House Fiscal Staff

Other Considerations

None.