

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1851
Version:	FULLPCS1
Request Number:	13051
Author:	Rep. Schreiber
Date:	3/6/2025
Impact:	\$230,000

Research Analysis

The proposed oversight committee substitute for HB 1851 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 one-step online link or an in-person option. The measure also requires sellers to notify consumers 25 to 40 days before an automatic renewal occurs. However, if the automatic renewal is for a term of less than 12 months, the seller must notify the consumer seven days before the renewal extends the contract beyond 12 months. 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 FULLPCS1 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.

Prepared By: Robert Flipping IV, House Fiscal Staff

Other Considerations

None.

