

Automatic Renewal State Laws Charts: Overview

by Michael Jaeger, Faegre Drinker Biddle & Reath LLP, with Practical Law Commercial Transactions

Status: Law stated as of 07 Jun 2021 | Jurisdiction: Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Louisiana, Maine, Maryland, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, USA (National/Federal), Utah, Vermont, Virginia, Wisconsin

This document is published by Practical Law and can be found at: us.practicallaw.tr.com/w-020-5738
Request a free trial and demonstration at: us.practicallaw.tr.com/about/freetrial

A 50-state survey of all state automatic renewal laws, including information on the types of contracts subject to the laws, key compliance requirements, definitions of “clear and conspicuous,” corresponding penalties, and any good faith exemptions.

These charts, which are arranged alphabetically, list all states and the District of Columbia that have enacted automatic renewal laws primarily impacting either business-to-business or business-to-consumer commercial contracts. The Charts do **not** include state laws relating to restrictions around automatic renewals of:

- Real property (for example, Ark. Code Ann. § 4-86-109 and R.I. Gen. Laws § 6-13-14 (both regulating written leases of personal property)).
- Real property and rental-related services (for example, Okla. Stat. tit. 15, § 222 (relating to the rental of goods or rental-related services where all or substantially all of the contract terms are drafted by the provider of the goods or services)).

These Charts provide the following information:

- Contracts subject to law.
- Key requirements.
- Any definition of clear and conspicuous provided by the law. Absent a statutory definition, companies should look to FTC guidance on clear and conspicuous disclosures (see [Practice Note, Advertising: Overview: Clear and Conspicuous Disclosures](#)), and consider using other jurisdictions’ statutory definitions of clear and conspicuous as persuasive authority. Also, under

the Uniform Commercial Code, which only applies to contracts for the sale of goods, a term or clause is conspicuous when a reasonable person against whom it is to operate ought to have noticed it. Generally, the use of a larger font, all capital letters, or bold-face or other contrasting type or color satisfy this standard.

- Penalties for noncompliance.
- Good faith exceptions.

For an overview of state automatic renewal laws discussing the differences between federal and state regulations and highlighting the distinctions in how states regulate these laws (extensively, generally, or narrowly), see [Practice Note, Automatic Renewal State Laws](#). The Practice Note also provides:

- Compliance best practices.
- A short summary on litigation and settlements concerning state automatic renewal laws, focused on California, which has been the primary jurisdiction where these laws have been litigated, and including some discussion of the “good faith exception” available in some states.

For information on federal regulations, see [Practice Note, Positive Practices for Negative Option Features](#).

Arkansas

Contracts Subject to Law Professional home security contracts.

Statutory Authority Ark. Code Ann. § 4-86-106



Automatic Renewal State Laws Charts: Overview

Key Requirements

Cannot state that the term will automatically be renewed for any additional period beyond the initial term of the contract.

Cannot be renewed for any additional period beyond the initial term of the contract unless the person receiving the services affirmatively notifies the person offering the services that they wish to renew the contract. However, a professional home security services provider and a person may enter into a contract that has a fixed initial term and successive, automatic monthly renewal terms if both:

- The contract conspicuously states that the person receiving the services has the right without additional cost or penalty to terminate the contract at the end of the initial term or the then current renewal.
- The person gives the service provider notice of their intent to terminate by written notice at least 30 days before the expiration of the initial term or the then current renewal term.

(Ark. Code Ann. § 4-86-106(a) to (c).)

Definition of "Clear and Conspicuous"

Not defined.

Penalties

The person receiving the services may without additional cost or penalty immediately terminate the contract by giving a written termination notice to the provider and is not obligated to perform under the contract as renewed (Ark. Code Ann. § 4-86-106(e)).

Good Faith Exception

None.

California

Contracts Subject to Law

Any plans or arrangements in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term (Cal. Bus. & Prof. Code § 17601(a)). The law does **not** apply to:

- Any service provided by a business or its affiliate where either the business or its affiliate is doing business under a franchise issued by a political subdivision of the state or a license, franchise, certificate, or other authorization issued by the California Public Utilities Commission (CPUC).
- Any service provided by a business or its affiliate where either the business or its affiliate is regulated by the CPUC, the Federal Communications Commission, or the Federal Energy Regulatory Commission.
- Any entity regulated by the Department of Insurance.
- Alarm company operators under Cal. Bus. & Prof. Code § 7590.2.
- A bank, bank holding company, or the subsidiary or affiliate of either, or a credit union or other financial institution, licensed under state or federal law.
- Service contract sellers and service contract administrators regulated by the Bureau of Electronic and Appliance Repair under Cal. Bus. & Prof. Code §§ 9855 to 9855.9).

(Cal. Bus. & Prof. Code § 17605.)

The legislative intent is to end the practice of ongoing charging of consumer credit or debit cards or third party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service (Cal. Bus. & Prof. Code § 17600).

Automatic Renewal State Laws Charts: Overview

Note: California also regulates health club memberships under Cal. Civ. Code §§ 1812.80 to 1812.98. However, the automatic renewal provisions are subject to the state's general automatic renewal law.

Statutory Authority	Cal. Bus. & Prof. Code §§ 17601 to 17606
Key Requirements	<p>The business making the automatic renewal or continuous service offer must:</p> <ul style="list-style-type: none">• Present the following information to the consumer clearly and conspicuously prior to the consumer's acceptance of the offer:<ul style="list-style-type: none">– that the subscription or purchasing agreement will continue until the consumer cancels;– the cancellation policy that applies to the offer;– 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, 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;– the length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer; and– the minimum purchase obligation, if any.• Present the above information:<ul style="list-style-type: none">– in a clear and conspicuous manner before the 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. <p>If the offer also includes a free gift or trial, the offer must 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 on conclusion of the trial.</p> <ul style="list-style-type: none">• Obtain the consumer's affirmative consent to the agreement with the automatic renewal offer terms (including those made at a promotional or discounted price for a limited period of time) before charging the consumer's credit or debit card or third-party payment account.• Provide an acknowledgment, in a manner that is capable of being retained by the consumer, that includes:<ul style="list-style-type: none">– the automatic renewal offer terms;– the cancellation policy; and– the information regarding how to cancel. <p>If the automatic renewal offer includes a free gift or trial, the business must also disclose in the acknowledgment how to cancel, and allow the consumer to cancel before the consumer pays for the goods or services.</p> <ul style="list-style-type: none">• Provide a toll-free telephone number, email address, a postal address if the business directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation.• Allow the consumer who accepts an automatic renewal offer online to terminate exclusively online (a termination email template provided by the business is acceptable).

Automatic Renewal State Laws Charts: Overview

- Provide the consumer notice of any material change to the terms of the automatic renewal that has been accepted by a consumer via a clear and conspicuous notice, as well as information regarding how to cancel in a manner that is capable of being retained by the consumer.

(Cal. Bus. & Prof. Code §§ 17601 and 17602.)

Definition of “Clear and Conspicuous”	<p>Means:</p> <ul style="list-style-type: none"> • In larger type than the surrounding text. • In contrasting type, font, or color to the surrounding text of the same size. • 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. • If it is an audio disclosure, clear and conspicuous means at a volume and cadence sufficient to be readily audible and understandable. <p>(Cal. Bus. & Prof. Code § 17601(c).)</p>
Penalties	<p>If notice is not provided, then the products or services furnished to the recipient after the expiration of the period of time specified in the contract are deemed an unconditional gift (Cal. Bus. & Prof. Code § 17603).</p> <p>While a violation of the law is not a crime, all civil remedies that apply to a violation may be employed (Cal. Bus. & Prof. Code § 17604(a)). For more information, see Practice Note, Automatic Renewal State Laws: California: Penalties.</p>
Good Faith Exception	<p>Yes. Businesses that comply with the provisions of this article in good faith are not subject to civil remedies (Cal. Bus. & Prof. Code § 17604(b)).</p>

Colorado

Contracts Subject to Law	Health club services only.
Statutory Authority	Colo. Rev. Stat. Ann. § 6-1-704
Key Requirements	<p>Any advertisement or sale of a membership of a health club must:</p> <ul style="list-style-type: none"> • Allow the buyer of the membership to rescind the membership contract within three business days after receipt by the buyer of a copy of the contract. • Provide the buyer conspicuous notice of the buyer’s right to rescind the sale by either telegram, mail, or hand delivery. • Allow the buyer, or the estate of the buyer, to cancel the membership contract in five separate circumstances. <p>Lifetime or perpetual memberships are not permitted. (Colo. Rev. Stat. Ann. § 6-1-704.)</p>
Definition of “Clear and Conspicuous”	Not defined.
Penalties	None listed.
Good Faith Exception	None.

Connecticut

Contracts Subject to Law	Any person, firm partnership, association, or corporation that sells or offers to sell any products or services used primarily for personal, family, or household purposes for a specified time under a written contract containing automatic renewal for a period of more than 31 days at the end of the period of time (Conn. Gen. Stat. Ann. § 42-126b).
Statutory Authority	Conn. Gen. Stat. Ann. § 42-126b
Key Requirements	<p>Seller must provide the recipient with a clear and conspicuous written notice that the recipient may cancel the contract. The type of notice depends on whether the contract is over or under 180 days.</p> <p>For contracts for over 180 days, the clear and conspicuous written notice must:</p> <ul style="list-style-type: none"> • Include the procedure for cancellation. • Be given at least 15 days but not more than 60 days before the earlier date of: <ul style="list-style-type: none"> – the date on which the contract will be renewed; or – the expiration of the time period for cancellation by the recipient. <p>Mailing of the written notice by US mail satisfies the notice requirements. If a contract is entered into electronically or the consumer agrees to receive notice electronically, then the written notice may be transmitted by electronic mail.</p> <p>For contracts under 180 days, the clear and conspicuous written notice must state that the recipient of the products or services may cancel the contract and the procedure for cancellation, provided the recipient is not required to exercise the right of cancellation more than 60 days before the expiration of the specified period of time. (Conn. Gen. Stat. Ann. § 42-126b.)</p>
Definition of “Clear and Conspicuous”	Not defined.
Penalties	If notice is not provided, then the products or services furnished to the recipient after the expiration of the period of time specified in the contract are deemed an unconditional gift (Conn. Gen. Stat. Ann. § 42-126b(a)).
Good Faith Exception	None.

District of Columbia

Contracts Subject to Law	<p>A person who sells a good or service to a consumer under a contract either:</p> <ul style="list-style-type: none"> • That will automatically renew at the end of a definite terms. • With an initial term of 12 months or more, that will automatically renew for a term of one month or more. <p>(D.C. Code § 28A-203(a), (b).)</p>
Statutory Authority	D.C. Code §§ 28A-201 to 28A-221

Automatic Renewal State Laws Charts: Overview

Key Requirements

Sellers using automatic renewal provisions must clearly and conspicuously disclose the automatic renewal provision and cancellation procedure.

For contracts with an initial term of 12 months or more, that will automatically renew for a term of one month or more, sellers must notify the consumer of the first automatic renewal and annually thereafter, by:

- First-class mail.
- Email.
- Another easily accessible form of communication, such as text message or a mobile phone application, if the consumer specifically authorizes the person to provide notice in that form.

The required notice must:

- Be sent to the consumer no fewer than 30 days and no more than 60 days before the cancellation deadline.
- Disclose clearly and conspicuously:
 - that unless the consumer cancels the contract, it will automatically renew;
 - the cost of the goods or services for the term of the renewal;
 - the deadline by which the consumer must cancel the contract;
 - the methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedures, including by contacting the seller at a specified telephone number, email address, or by another form of communication; and
 - if the automatic renewal offer includes a free gift or trial, the price that will be charged after the trial ends or the manner in which the price will change following the trial.

Additionally, if the business provides a consumer a free trial of a good or service with a term of one month or more and the contract will automatically renew at the end of the free trial period, the business must notify the consumer of the automatic renewal at least 15 and no more than 30 days before the expiration of the free trial period, and obtain the consumer's affirmative consent to the automatic renewal before charging the consumer for the automatic renewal. (D.C. Code § 28A-203.)

Definition of "Clear and Conspicuous"

"Clearly and conspicuously" means in larger type than the surrounding text, 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 calls attention to the language and is visually proximate to any request for the consumer's consent (D.C. Code § 28A-202(1)).

Penalties

A violation of this law renders an automatic renewal provision void and terminates the contract at the end of the term in which the violation occurred. A violation of this law also is a violation of the District of Columbia Consumer Protection Procedures Act (D.C. Code § 28A-203(d)).

Automatic Renewal State Laws Charts: Overview

Good Faith Exception	<p>Yes. A good faith exemption exists if a person demonstrates all of the following:</p> <ul style="list-style-type: none">• The person has established and implemented written procedures to comply with this chapter.• Any failure to comply with this chapter is the result of a good-faith mistake.• Where a good-faith mistake has caused a failure to comply with this chapter, the person provides the consumer with a credit for all amounts billed to or a refund for all amounts paid by the consumer due to the mistaken renewal. <p>(D.C. Code § 28A-203(d).)</p>
-----------------------------	---

Florida

Contracts Subject to Law	<p>Any service contract that is automatically renewed for a period of more than one month if the renewal causes the service contract to be in effect more than six months after the day of the initiation of the service contract relating to:</p> <ul style="list-style-type: none">• Service.• Maintenance.• Repair. <p>(§ 501.165, Fla. Stat.)</p>
---------------------------------	---

Statutory Authority	§ 501.165, Fla. Stat.
----------------------------	-----------------------

Key Requirements	<p>A seller must:</p> <ul style="list-style-type: none">• Disclose the automatic renewal provision clearly and conspicuously in the contract or contract offer.• Provide the consumer with written or electronic notification of the automatic renewal provision no less than 30 days and no more than 60 days before the cancellation deadline if the contract is for 12 months or more, and if it automatically renews for more than one month, unless the consumer cancels the contract. <p>Notification must disclose clearly and conspicuously:</p> <ul style="list-style-type: none">• That unless the consumer cancels, the contract will automatically renew.• The methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedure, whether by:<ul style="list-style-type: none">– contacting the seller at a specified telephone number or address;– referring to the contract; or– any other method. <p>(§ 501.165(2)(a), (b), Fla. Stat.)</p>
-------------------------	---

Definition of “Clear and Conspicuous”	Not defined.
--	--------------

Penalties	<p>Any violation of the law renders the automatic renewal provision void and unenforceable. Where as part of the seller’s routine business practice, an error has caused the failure to comply (see Good Faith Exception below), the unearned portion of the contract subject to the automatic renewal provision is refunded as of the date on which the seller is notified of the error (§ 501.165(2)(c)(3), (e), Fla. Stat.)</p>
------------------	--

Automatic Renewal State Laws Charts: Overview

Good Faith Exception	<p>Yes. A good faith exception exists where the seller demonstrates all of the following:</p> <ul style="list-style-type: none">• As part of the seller’s routine business practice, the seller has established and implemented written procedures to comply with this section and enforces compliance with the procedures.• Any failure to comply with this subsection is the result of error.• As part of the seller’s routine business practice, where an error has caused the failure to comply with this subsection, the unearned portion of the contract subject to the automatic renewal provision is refunded as of the date on which the seller is notified of the error. <p>(§ 501.165(2)(c), Fla. Stat.)</p>
-----------------------------	---

Georgia

Contracts Subject to Law	<p>Service contracts with automatic renewal provisions for more than one month if the renewal means the service contract is in effect more than six months after the date of initiation (O.C.G.A. § 13-12-1(1)).</p>
Statutory Authority	<p>O.C.G.A. §§ 13-12-1 to 13-12-5</p>
Key Requirements	<p>A seller must disclose the automatic renewal provision clearly and conspicuously in the contract or contract offer (O.C.G.A. § 13-12-2).</p> <p>If the service contract is for a period of 12 months or more, and if it automatically renews for more than one month, then unless the consumer cancels the contract, the seller must provide the consumer with written or electronic notification of the automatic renewal provision no less than 30 days or no more than 60 days before the cancellation deadline.</p> <p>The notification must disclose clearly and conspicuously:</p> <ul style="list-style-type: none">• That unless the consumer cancels the contract, the contract will automatically renew.• The methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedure, including contacting the seller. <p>(O.C.G.A. §13-12-3(a).)</p> <p>If any service contract automatically renews for a period of more than 24 months, the seller must in addition to the above notification requirements obtain the following for the automatic renewal to be enforceable:</p> <ul style="list-style-type: none">• Written or electronic acknowledgment from the consumer of receipt of the notification required above.• An affirmative written or electronic response that the consumer does not intend to terminate the service contract. <p>(O.C.G.A. § 13-12-3(b).)</p>
Definition of “Clear and Conspicuous”	<p>Not defined.</p>

Automatic Renewal State Laws Charts: Overview

Penalties A violation renders the automatic renewal provision of a contract void and unenforceable (O.C.G.A. § 13-12-5).

Good Faith Exception None.

Hawaii

Contracts Subject to Law Contracts for products or services to consumers (HRS § 481-9.5). The law lists exceptions relating to:

- Financial institutions.
- Insurers.
- Telecommunication providers.
- Cable operators.

(HRS § 481-9.5(j).)

Statutory Authority HRS § 481-9.5

Key Requirements

A person must clearly and conspicuously disclose for any consumer service contract that has a specified term of more than one month and an automatic renewal clause under which the contract will automatically renew for a specified term of more than one month unless the consumer cancels the contract, both:

- The automatic renewal clause.
- The procedure by which the consumer can cancel automatic renewal of the consumer contract.

(HRS § 481-9.5(a).)

If the contract has a specified term of 12 months or more, and if the automatic renewal is for a term of more than one month, then seller must notify the consumer no less than 30 days and no more than 60 days before the date on which consumer must respond clearly and conspicuously:

- That the contract will automatically renew unless the consumer cancels the contract.
- How to cancel the contract.
- The deadline by which the consumer must respond to cancel the consumer contract and prevent automatic renewal.

(HRS § 481-9.5(b).)

Hawaii allows electronic notice if the transaction for the sale of products or services was electronic or the customer elects to receive electronic notice (HRS § 481-9.5(c)).

If the contract contains a continuous service clause, the seller must clearly and conspicuously disclose:

- The continuous service clause.
- The procedure by which the consumer can cancel the contract.

(HRS § 481-9.5(d)).

Automatic Renewal State Laws Charts: Overview

A seller cannot charge the consumer's credit or debit card or the consumer's account with a third party for an automatic renewal or a continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms (HRS § 481-9.5(e)).

A seller must provide the consumer with an acknowledgment that the consumer may retain:

- The automatic renewal or continuous service offer terms.
- The cancellation policy.
- The procedure by which the consumer may cancel the contract.

(HRS § 481-9.5(f).)

If the offer includes a free trial, the acknowledgment must clearly and conspicuously disclose:

- The right of the consumer to cancel before payment is made for the goods or services.
- The cancellation procedure.

(HRS § 481-9.5(f).)

A seller making automatic renewal or continuous service offers under a consumer contract must include:

- A toll-free telephone number.
- An email address.
- A postal address if the seller directly bills the consumer.
- A clearly and conspicuously described cost-effective, timely, and easy-to-use alternative means to communicate the cancellation.

(HRS § 481-9.5(g).)

If the seller makes a material change in the terms of the automatic renewal or continuous service offer under the consumer contract that has been accepted by a consumer in Hawaii, the seller must clearly and conspicuously provide the consumer with:

- A notice of the material change.
- Information regarding how to cancel in a manner that is capable of being retained by the consumer before the implementation of the material change.

(HRS § 481-9.5(h).)

Definition of "Clear and Conspicuous"

Means:

- In larger type than the surrounding text.
- In contrasting type, font, or color to the surrounding text of the same size.
- 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, it means in a volume and cadence sufficient to be readily audible and understandable (HRS § 481-9.5(k)).

Automatic Renewal State Laws Charts: Overview

Penalties	Any person who violates the automatic renewal law or who knowingly fails to cancel an automatic renewal contract on a consumer's request is deemed to have engaged in an unfair method of competition and unfair or deceptive act or practice in the conduct of any trade or commerce within the meaning of Haw. Rev. Stat. § 480-2 (HRS § 481-9.5(d)).
Good Faith Exception	None.

Illinois

Contracts Subject to Law	Any contract for products or services where the contract automatically renews unless the consumer cancels the contract (815 ILCS 601/10).
Statutory Authority	815 ILCS 601/1 to 601/20
Key Requirements	<p>A contract must disclose the automatic renewal clause clearly and conspicuously in the contract, including the cancellation procedure (815 ILCS 601/10(a)).</p> <p>If the contract has a specified term of 12 months or more and the contract automatically renews for a period of more than one month, the seller must, no less than 30 days and no more than 60 days before the consumer's deadline to cancel the automatic renewal, notify the consumer in writing clearly and conspicuously:</p> <ul style="list-style-type: none">• That unless the consumer cancels the contract it will automatically renew.• The details about how the consumer may cancel the contract. <p>(815 ILCS 601/10(b).)</p>
Definition of "Clear and Conspicuous"	Not defined.
Penalties	A violation is considered an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act (815 ILCS 601/15).
Good Faith Exception	<p>Yes. A person, firm, partnership, association, or corporation will not be liable for a violation of the law or the Consumer Fraud and Deceptive Business Practices Act if the person, firm, partnership, association, or corporation demonstrates that, as part of its routine business practice, it does all of the following:</p> <ul style="list-style-type: none">• It has established and implemented written procedures to comply with the law and enforces compliance with the procedures.• Any failure to comply with the law is the result of error.• Where an error has caused a failure to comply with the law, it provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the account, or the date of the subsequent notice of renewal, whichever occurs first. <p>(815 ILCS 601/10(c).)</p>

Iowa

Contracts Subject to Law	A physical exercise club contract.
Statutory Authority	Iowa Code Ann. § 552.8

Automatic Renewal State Laws Charts: Overview

Key Requirements	A physical exercise club contract cannot contain an automatic renewal clause (Iowa Code Ann. § 552.8).
Definition of “Clear and Conspicuous”	Not applicable.
Penalties	None listed.
Good Faith Exception	None.

Louisiana

Contracts Subject to Law	<p>Any contract for products or services where the contract automatically renews unless the consumer cancels the contract.</p> <p>However, the law does not apply to:</p> <ul style="list-style-type: none"> • The Louisiana Rental-Purchase Agreement Act. • Financial institutions. • Licensed insurers. • Contracts entered before January 1, 2011. • A contract that allows for cancellation by the consumer by written notice within thirty days or within one month, after the initial period has expired. <p>(La. R.S. 9:2716(D).)</p>
---------------------------------	--

Statutory Authority	La. R.S. 9:2716
----------------------------	-----------------

Key Requirements	The seller must disclose the automatic renewal clause clearly and conspicuously in the contract or contract offer. The seller must also disclose clearly and conspicuously how to cancel the contract, but that can be done in the initial contract, the contract offer, or with the delivery of the products or services. (La. R.S. 9:2716(A), (B).)
-------------------------	---

Definition of “Clear and Conspicuous”	Not defined.
--	--------------

Penalties	<p>Any contract illegally automatically renewed reverts to a 30-day renewal contract with the same terms (La. R.S. 9:2716(E)).</p> <p>When the law’s good faith exception applies to an error by the seller (see Good Faith Exception), the seller must provide a full refund or credit for all amounts billed or to be paid by the consumer from either:</p> <ul style="list-style-type: none"> • The date of the renewal until the date of the termination of the contract. • The date of the subsequent notice of renewal, whichever occurs first. <p>(La. R.S. 9:2716(C)(3).)</p>
------------------	---

Good Faith Exception	<p>Yes. A good faith exemption exists where a person, firm, or corporation demonstrates all of the following:</p> <ul style="list-style-type: none"> • It has established and implemented written procedures to comply with this law and enforces compliance with the procedures. • Any failure to comply with this law is the result of error.
-----------------------------	---

- When an error has caused the failure to comply with this law, it, as a matter of routine business practice, provides a full refund or credit for all amounts billed to or paid by the consumer from:
 - the date of the renewal until the date of the termination of the contract; or
 - the date of the subsequent notice of renewal, whichever occurs first.
- (La. R.S. 9:2716(C).)

Maine

Contracts Subject to Law

Contracts for the following online goods or services that are for a specified time and price that are automatically renewed at the end of a definite term for a subsequent term:

- Magazines, journals, and periodicals.
- Media players.
- Mobile apps.
- Social networking services.
- Internet game services.
- Online software.

(10 M.R.S.A. § 1210-C(1)(A).)

The law only applies to agreements entered into or renewed after January 1, 2020 under which a seller makes an automatic subscription renewal or an extended automatic subscription renewal offer to a consumer in Maine (10 M.R.S.A. § 1210-C(4)). An automatic subscription renewal is “extended” if it has a subscription term that both:

- Runs for 12 months or more.
- Automatically renews for a specified term of more than one month unless the consumer cancels the subscription.

(10 M.R.S.A. § 1210-C(1)(B).)

Maine also has a separate, older automatic renewal law specific to contracts for the provision of small containerized solid waste hauling service to customers located in Maine not otherwise discussed in this Chart (38 M.R.S.A. § 2112).

Statutory Authority

10 M.R.S.A. §§ 1210-C and 1210-D

Key Requirements

A seller may not make an automatic subscription renewal offer to a consumer in Maine unless the seller presents that consumer with an easily accessible disclosure of the methods that the consumer may use to cancel the subscription. One method of cancellation must be by any means of communicating information over a computer network. If a phone number is also provided for the purposes of the subscription cancellation, the number must be:

- Toll-free.
- Prominently displayed in the disclosure.

(10 M.R.S.A. § 1210-C(2).)

Automatic Renewal State Laws Charts: Overview

A seller cannot make an extended automatic subscription renewal offer to a consumer in Maine unless the seller:

- Notifies the consumer of the automatic renewal no less than 30 days and no more than 60 days before the cancellation deadline pursuant to the automatic subscription renewal.
- Provides for online cancellation of the subscription by any means of communicating information over a computer network.

The notice of the extended automatic subscription renewal offer must disclose clearly and conspicuously:

- That unless the consumer cancels the subscription it will automatically renew; and
- Where the consumer can obtain details regarding the automatic subscription renewal and cancellation procedure.

(10 M.R.S.A. § 1210-C(3).)

Definition of “Clear and Conspicuous”	Not defined.
Penalties	Any violation is considered a violation of the Maine Unfair Trade Practices Act (10 M.R.S.A. § 1210-D).
Good Faith Exception	<p>An action may not be brought under the Maine Unfair Trade Practices Act if the seller both:</p> <ul style="list-style-type: none"> • Proves the violation of the law was the result of an error. • Provides a full refund or credit to the consumer for the amounts paid from the date of the subscription renewal until whichever comes first: <ul style="list-style-type: none"> – the date of the termination of the subscription; or – the date of the subsequent notice of renewal. <p>(10 M.R.S.A. § 1210-D.)</p>

Maryland

Contracts Subject to Law	Health club services only.
Statutory Authority	Md. Code Ann., Com. Law § 14-12B-06
Key Requirements	<p>A health club services agreement may not contain an automatic renewal clause, unless the agreement provides for a renewal option for continued membership which must be accepted by the buyer.</p> <p>A buyer may cancel a health club services agreement within three business days after receipt of a copy of the agreement by notifying the health club in writing. Written notification must be delivered in person or by certified mail, return receipt requested, bearing a postmark from the US Postal Service, and if mailed must be postmarked by midnight of the third business day.</p> <p>Each contract for health club services must conspicuously disclose under the heading “Notice of Consumer Rights”:</p>

Automatic Renewal State Laws Charts: Overview

- The seller's health club registration number with the Division.
- A description of whether the seller is bonded and the amount, or an explanation of why not bonded.
- The buyer's right to cancel as defined in the section.
- The buyer's rights in the event of a disability or temporary closing.

(Md. Code Ann., Com. Law § 14-12B-06.)

Definition of "Clear and Conspicuous"	Not defined.
Penalties	None listed.
Good Faith Exception	None.

Missouri

Contracts Subject to Law	Contracts for buyers' clubs (discount buying organizations).
Statutory Authority	§ 407.675, RSMo
Key Requirements	<p>No contract can:</p> <ul style="list-style-type: none">• Be valid for a term longer than 24 months from the date on which the contract is signed. However, a club may allow a member to convert the contract into a contract for a period longer than 24 months after the member has been a member of the club for at least six months.• Contain an automatic renewal clause (although the agreement may provide for the buyer to exercise a renewal). <p>(§ 407.675, RSMo).</p> <p>The duration of the contract must be clearly and conspicuously disclosed in the contract in boldface type of a minimum size of 14-points (§ 407.675, RSMo).</p>
Definition of "Clear and Conspicuous"	Not defined beyond boldface type of a minimum size of 14-points.
Penalties	Penalties and civil actions (§ 407.679, RSMo).
Good Faith Exception	None.

Montana

Contracts Subject to Law	Small customer service contracts relating to the sale of natural gas.
Statutory Authority	Mont. Admin. R. 38.5.6004(9), (10)
Key Requirements	<p>At least 60 days before the expiration date of the customer's service contract, the supplier must provide written notice to the customer of either:</p> <ul style="list-style-type: none">• The existence and operation of an automatic renewal provision present in the customer's contract.• The need for the customer to affirmatively renew to retain service from the supplier at the end of the contract term.

Automatic Renewal State Laws Charts: Overview

If the service contract contains an automatic renewal provision, the supplier may not change the terms and conditions of the contract on the renewal date unless the customer has been provided with written notice of:

- The changes at least 60 days in advance of their effective date.
- Their right to change suppliers rather than renew the contract.

With the written notice of contract changes, the supplier must provide the customer a letter of authorization approving the contract changes to return to the supplier. Without a signed letter of authorization, the supplier may not renew the contract. (Mont. Admin. R. 38.5.6004(9), (10).)

Definition of “Clear and Conspicuous”	Not applicable (law does not require the notice to be clear and conspicuous).
Penalties	None listed.
Good Faith Exception	None.

Nevada

Contracts Subject to Law	Dance studio contracts or health club memberships only.
Statutory Authority	NRS 598.940 to 598.966
Key Requirements	<p>Any contract between a buyer and a dance studio or health club must:</p> <ul style="list-style-type: none"> • Be in writing, legible and have all spaces filled in before the buyer signs it. • Be in the language in which the sales presentation was given. • Contain the addresses of the buyer and the studio or club. • Be given to the buyer when he or she signs it. • As of July 1, 2021, disclose whether security has been obtained and deposited with the Division of Mortgage Lending of the Department of Business and Industry (see NRS 598.726). • Specify the term of membership of the buyer, which must not be measured by the life of the buyer; • Clearly specify the right of the buyer to cancel the contract. • Not contain a clause by which the contract is automatically renewed (emphasis added). • Specify the number of lessons and the cost of each lesson, if the contract is for dance lessons. <p>(NRS 598.948.)</p> <p>A buyer entering into a contract with a dance studio or health club may cancel a contract within three business days after they receive a copy of the contract by notifying the studio or club in writing (NRS 598.950)</p>
Definition of “Clear and Conspicuous”	Not defined.

Automatic Renewal State Laws Charts: Overview

Penalties	Violation is a deceptive trade practice. Any remedies, duties, and prohibitions are not exclusive. (NRS 598.966.)
Good Faith Exception	None. However, the buyer may agree in writing, after a full disclosure, to any correction of the defect if the correction is made within 30 days after the buyer signs a contract for dance lessons, the use of facilities or other services. Otherwise, the contract is rescinded and the buyer must be given a full refund. (NRS 598.960).

New Hampshire

Contracts Subject to Law	Health club memberships only.
Statutory Authority	N.H. RSA §§ 358-1:3 and 358-1:5
Key Requirements	<p>Buyers of prepaid memberships for health clubs may cancel memberships within three business days by notifying the health club in writing. Each prepaid contract must contain in at least ten-point boldface type a statement in substantially the following form: "YOU MAY CANCEL THIS TRANSACTION IN WRITING ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION." (N.H. RSA § 358-1:3(IV).)</p> <p>Automatic renewal is prohibited for more than one-month term; contract for health club services may not be for more than one year. Any renewal must be accepted in writing by a buyer, and may not be renewed more than 90 days before the contract's expiration date. (N.H. RSA § 358-1:5(I).)</p> <p>Buyers may cancel month-to-month memberships with 30 days written notice (N.H. RSA § 358-1:5(II)).</p>
Definition of "Clear and Conspicuous"	Means ten-point boldface type (all caps) (N.H. RSA § 358-1:3).
Penalties	Violations are unfair or deceptive acts or practices within the meaning of N.H. RSA § 358-A:2 (N.H. RSA § 358-1:8).
Good Faith Exception	None.

New Mexico

Contracts Subject to Law	Service contracts (for service, maintenance, or repair) that contain automatic renewal clauses.
Statutory Authority	N.M. Admin. Code 12.2.11
Key Requirements	<p>It is an unfair or deceptive trade practice for any consumer service contract to contain an automatic renewal provision unless the contract provision:</p> <ul style="list-style-type: none">• Is set out in a clear and conspicuous manner in at least ten-point type.• Includes:<ul style="list-style-type: none">– the notice requirements and specific procedure by which the consumer may cancel the contract at the end of the initial contract term; and– the terms of the automatic renewal in the event that notice of cancellation is not given at the end of the initial contract term. <p>(N.M. Admin. Code 12.2.11.8(A).)</p>

Automatic Renewal State Laws Charts: Overview

It is an unfair or deceptive trade practice for any consumer service contract to contain an automatic renewal provision unless the seller provides the consumer written notice before either:

- The end of the initial term of the contract.
- The end of any renewal term of the contract consistent with N.M. Admin. Code 12.2.11.8(C).

(N.M. Admin. Code 12.2.11.8(B).)

It is an unfair and deceptive trade practice for any service contract that contains an automatic renewal provision to fail to:

- Provide written notice to the consumer specifying the procedure by which the consumer may cancel the contract.
- Set out in a clear and conspicuous manner, in at least ten-point type, and served on the consumer either by certified mail or on the first page of a monthly statement at least 30 days before the last day on which the consumer may give notice of the consumer's intention to terminate the contract, but not sooner than 60 days before the last day on which the consumer may give notice.
- Allow a minimum of 30 calendar days after the receipt of the seller's notice under N.M. Admin. Code 12.2.11.8(C)(1) for the consumer to give notice of the consumer's intent to terminate the contract at the end of the initial term or at the end of any additional renewal term.
- Honor a written notice sent via fax, US mail, email, or any other means on which a consumer can reasonably rely to deliver the notice and postmarked, time stamped or otherwise electronically date stamped within the 30 calendar days provided for the consumer to give notice.
- Fail to honor a written notice timely sent, mailed, emailed or otherwise transmitted in a manner on which the consumer can reasonably rely to deliver the notice but received by the seller after the expiration of the notice period.
- Allow termination of the contract at the end of the initial term or at the end of any additional renewal term without additional cost or penalty.

(N.M. Admin. Code 12.2.11.8(C).)

Definition of "Clear and Conspicuous"	At least ten-point type (N.M. Admin. Code 12.2.11.8).
Penalties	Violations are unfair or deceptive acts or practices (N.M. Admin. Code 12.2.11.8).
Good Faith Exception	None.

New York (Two Laws)

N.Y. Gen. Bus. Law §§ 527 and 527-a

Contracts Subject to Law	Any plans or arrangements in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term (N.Y. Gen. Bus. Law § 527 (1)).
---------------------------------	---

Automatic Renewal State Laws Charts: Overview

The law **does not apply** to:

- Any auto-renewing plan or arrangement involving businesses operating pursuant to a franchise issued by a political subdivision of the state.
- Any entity regulated by the department of financial services; banks and credit unions.
- Security system alarm operators.
- Certain service contracts as defined by N.Y. Ins. Law § 7902 that are covered by New York's original automatic renewal law (N.Y. Gen. Oblig. Law § 5-903).

(N.Y. Gen. Bus. Law § 527-a(8).)

Statutory Authority	N.Y. Gen. Bus. Law §§ 527 and 527-a
Key Requirements	<p>The business making the automatic renewal or continuous service offer must:</p> <ul style="list-style-type: none">• Present the following information to the consumer clearly and conspicuously, prior to the consumer's acceptance of the offer:<ul style="list-style-type: none">– that the subscription or purchasing agreement will continue until the consumer cancels;– the cancellation policy that applies to the offer;– 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, 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;– the length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer; and– the minimum purchase obligation, if any.• Present the above information:<ul style="list-style-type: none">– in a clear and conspicuous manner before the 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. <p>If the offer also includes a free gift or trial, the offer must 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 on conclusion of the trial.</p> <ul style="list-style-type: none">• Obtain the consumer's affirmative consent to the agreement with the automatic renewal offer terms (including those made at a promotional or discounted price for a limited period of time) before charging the consumer's credit or debit card or third-party payment account.• Provide an acknowledgment, in a manner that is capable of being retained by the consumer, that includes:<ul style="list-style-type: none">– the automatic renewal offer terms;– the cancellation policy; and– the information regarding how to cancel.

Automatic Renewal State Laws Charts: Overview

If the automatic renewal offer includes a free gift or trial, the business must also disclose in the acknowledgment how to cancel, and allow the consumer to cancel before the consumer pays for the goods or services.

- Provide a toll-free telephone number, email address, a postal address if the business directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation.
- Allow the consumer who accepts an automatic renewal offer online to terminate exclusively online (a termination email template provided by the business is acceptable).
- Provide the consumer notice of any material change to the terms of the automatic renewal that has been accepted by a consumer via a clear and conspicuous notice, as well as information regarding how to cancel in a manner that is capable of being retained by the consumer.

(N.Y. Gen. Bus. Law §§ 527 and 527-a.)

Definition of “Clear and Conspicuous”

Means:

- In larger type than the surrounding text.
- In contrasting type, font, or color to the surrounding text of the same size.
- 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.

If it is an audio disclosure, clear and conspicuous means at a volume and cadence sufficient to be readily audible and understandable.

(N.Y. Gen. Bus. Law § 527(3).)

Penalties

If notice is not provided, then the products or services furnished to the recipient after the expiration of the period of time specified in the contract are deemed an unconditional gift (N.Y. Gen. Bus. Law § 527-a(6)).

A court is permitted to impose the following penalties:

- Not more than \$100 for a single violation or \$500 for multiple violations resulting from a single act or incident.
- Not more than \$500 for a single knowing violation or \$1,000 for multiple knowing violations resulting from a single act or incident.

(N.Y. Gen. Bus. Law § 527-a(7).)

The Attorney General may seek an injunction for violations of the law, even without demonstrating an injury or damage to a consumer (N.Y. Gen. Bus. Law § 527-a(7).)

Good Faith Exception

Yes. A business can avoid liability if it can demonstrate that the violation resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid the error. (N.Y. Gen. Bus. Law § 527-a(7).)

N.Y. Gen. Oblig. Law § 5-903

Contracts Subject to Law

Contracts for service, maintenance, or repair to or for any real or personal property with automatic renewal periods greater than one month.

Statutory Authority

N.Y. Gen. Oblig. Law § 5-903

Automatic Renewal State Laws Charts: Overview

Key Requirements A contract cannot state that the term is renewed for a specified additional period unless the person furnishing the service, maintenance, or repair, at least 15 days and not more than 30 days before the time specified for serving the notice, gives to the contract party written notice, served personally, or by certified mail, calling the attention of that person to the existence of the provision in the contract. However, these requirements **do not** apply to a contract in which the automatic renewal period specified is one month or less. (N.Y. Gen. Oblig. Law § 5-903.)

Definition of “Clear and Conspicuous”	Not defined.
Penalties	None listed.
Good Faith Exception	None.

North Carolina

Contracts Subject to Law Sale or lease of products or services to a consumer where the contract automatically renews (N.C.G.S. § 75-41(a)). Subsections (d) and (d-1) of N.C.G.S. § 75-41 set out the parties to whom the law does not apply (for example, licensed insurers and real estate professionals).

Statutory Authority	N.C.G.S. § 75-41
----------------------------	------------------

Key Requirements A person selling or leasing products or services to a consumer where the contract automatically renews unless the consumer cancels the contract, must:

- Disclose the automatic renewal clause clearly and conspicuously in the contract or contract offer.
- Disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer, or with delivery of products or services.
- For any automatic renewal exceeding 60 days, provide written notice to the consumer by personal delivery, electronic mail, or first-class mail, at least 15 days but no earlier than 45 days before the date the contract is to be automatically renewed:
 - stating the date on which the contract is scheduled to automatically renew; and
 - notifying the consumer that the contract will automatically renew unless it is cancelled by the consumer prior to that date.
- If the terms of the contract will change upon the automatic renewal of the contract, disclose the changing terms of the contract clearly and conspicuously on the notification in at least 12 point type and in bold print.

(N.C.G.S. § 75-41(a).)

Definition of “Clear and Conspicuous”	Not defined, but at least bold 12-point type if any terms change with renewal (N.C.G.S. § 75-41(a)(4)).
Penalties	A violation of this law renders the automatic renewal clause void and unenforceable (N.C.G.S. § 75-41(e)).

Automatic Renewal State Laws Charts: Overview

Good Faith Exception	<p>Yes. A good faith exception exists where a person demonstrates that all of the following are its routine business practice:</p> <ul style="list-style-type: none">• The person has established and implemented written procedures to comply with this section and enforces compliance with the procedures.• Any failure to comply with this law is the result of error.• Where an error has caused the failure to comply with this law, the person provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the contract, or the date of the subsequent notice of renewal, whichever occurs first. <p>(N.C.G.S. § 75-41(c).)</p>
-----------------------------	---

North Dakota

Contracts Subject to Law	<p>Sale or offer to sell merchandise for a specified period under an agreement containing a provision for automatic renewal, which refers to a plan or arrangement in which a paid subscription or purchasing agreement is automatically renewed for a period of more than one month at the end of a definite period for a subsequent period N.D.C.C. § 51-37-01(1)). Applies only to contracts or agreements entered into after July 31, 2019 (S.L. 2019, ch. 424 (H.B. 1195), § 3) and does not apply to contracts relating to:</p> <ul style="list-style-type: none">• The sale of insurance.• The sale of public utilities.• A bank, bank holding company, credit union, or other financial institution or trust company. <p>(N.D.C.C. § 51-37-03.)</p>
---------------------------------	--

Statutory Authority	N.D.C.C. §§ 51-37-01 to 51-37-06
----------------------------	----------------------------------

Key Requirements	<p>A person that sells or offers to sell merchandise for a specified period under an agreement containing a provision for automatic renewal must do all of the following:</p> <ul style="list-style-type: none">• Present the terms of the automatic renewal offer in a clear and conspicuous manner before a subscription or purchasing agreement is fulfilled and in proximity to the offer.• Provide an acknowledgment that includes the terms of the automatic renewal offer and information regarding how to cancel in a manner which is capable of being retained by the buyer.• Provide a cost-effective, timely, and simple procedure for cancellation which must be described in the required acknowledgment. <p>A person that sells or offers to sell merchandise for a specified period under an agreement that contains a provision for automatic renewal for a period of more than six months at the end of the time period specified in the agreement must provide a clear and conspicuous written notice to the buyer stating the buyer may cancel the contract and avoid automatic renewal. The written notice must:</p> <ul style="list-style-type: none">• Be provided by:<ul style="list-style-type: none">– first-class mail;– electronic mail; or
-------------------------	---

Automatic Renewal State Laws Charts: Overview

– any easily accessible form of communication, including text message or a mobile application, if the consumer specifically authorizes the person to provide notice in that form.

- Include the procedure for canceling and must be given at least 30 days and not more than 60 days before the date on which the agreement will be renewed or the expiration of the period for cancellation.

If there is a material change in the terms of an agreement that contains a provision for automatic renewal, the seller must provide the buyer with both:

- Clear and conspicuous notice of the material change.
- Information regarding how to cancel in a manner which the buyer can retain.

A person that sells or offers to sell merchandise for a specified period under an agreement that contains a provision for automatic renewal may not make or submit any charge to a buyer's credit card, debit card, bank account, account with a third party, or other financial account, unless the person has complied with the automatic renewal law requirements and obtained the buyer's affirmative consent to the agreement containing the terms of the automatic renewal.

The renewal period in a provision for automatic renewal of an agreement for sale of merchandise may not exceed 12 months. (N.D.C.C. § 51-37-02.)

Definition of "Clear and Conspicuous"

Means in any of the following:

- A larger type than the surrounding text.
- In contrasting type, font, or color to the surrounding text of the same size.
- Set off from the surrounding text of the same size or symbols or other marks, in a manner that clearly calls attention to the language and makes the language readily apparent, readable, and understandable to the person to which the language is disclosed.

In the case of an audio disclosure, "clear and conspicuous" means in a volume and cadence sufficient to be readily audible and understandable. A statement that contradicts or is inconsistent with any other information with which the statement is presented is not clear and conspicuous. (N.D.C.C. § 51-37-01.)

Penalties

Enforceable by both:

- The Attorney General, who has the powers provide under Chapter 51-15 (N.D.C.C. §§ 51-15-01 to 51-15-12) relating to unlawful sales or advertising practices, which includes injunctive relief and civil penalties.
- Private parties (consumers) may seek injunctive relief and restitution. They may also recover costs, expenses, and reasonable attorneys' fees.

(N.D.C.C. §§ 51-37-05 and 51-37-06.)

In addition, any agreement for sale of merchandise in violation of the automatic renewal law is unenforceable and void. If a person sends merchandise as a result of an automatic renewal of an agreement without complying with the automatic renewal requirements or sends merchandise after a buyer undertook an affirmative act to cancel or otherwise avoid charges, the merchandise is considered to be an unconditional gift to the buyer who may dispose of the gift in any manner the buyer sees fit without any obligation to the person. (N.D.C.C. § 51-37-04.)

Good Faith Exception

None.

Oregon

Contracts Subject to Law	<p>Contracts involving an automatic renewal or continuous offer to a consumer. The following are exempt from the requirements:</p> <ul style="list-style-type: none"> • A person that provides a service under a franchise issued by a political subdivision of the state or a license, franchise, certificate, or other authorization issued by the Oregon Public Utility Commission (PUC). • A person that provides a service regulated by the PUC, the Federal Communications Commission (FCC), or the Federal Energy Regulatory Commission. • A person regulated by the Department of Consumer and Business Services under the Insurance Code. • A bank, bank holding company, or the subsidiary or affiliate of either, or a credit union or other financial institution or trust company as those terms are defined in Or. Rev. Stat. § 706.008, that is licensed under state or federal law. • A person that is regulated as a service contract seller under Or. Rev. Stat. § 646A.150 to 646A.172. • A consumer finance company licensed under Or. Rev. Stat. Chapter 725. • A person that provides direct-to-home satellite services subject to regulation by the FCC. <p>(Or. Rev. Stat. § 646A.295.)</p>
---------------------------------	--

Statutory Authority	Or. Rev. Stat. §§ 646A.292 to 646A.295
----------------------------	--

Key Requirements	<p>It is illegal for a person that makes an automatic renewal or continuous service offer to a consumer to do any of the following:</p> <ul style="list-style-type: none"> • Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before a subscription or purchasing agreement is fulfilled and: <ul style="list-style-type: none"> – in visual proximity; or – in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer. • Charge the consumer’s credit or debit card or payment 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. • Fail to provide an acknowledgment that includes the automatic renewal offer terms or continuous service offer terms and information regarding how to cancel in a manner that is capable of being retained by the consumer. If the offer includes a free trial, the person must also disclose in the acknowledgment how to cancel and allow the consumer to cancel before the consumer pays for the goods or services. <p>A person making automatic renewal or continuous service offers must provide the following unless there is another cost-effective, timely and easy-to-use mechanism for cancellation that must be described in the required acknowledgment:</p>
-------------------------	--

Automatic Renewal State Laws Charts: Overview

- A toll-free telephone number.
- An electronic mail address.
- A post-office address only when the person directly bills the consumer.

In the case of a material change in the terms of the automatic renewal or continuous service offer that has been accepted by a consumer, the person must provide the consumer both with:

- A clear and conspicuous notice of the material change.
- Information regarding how to cancel in a manner that is capable of being retained by the consumer.

With a few exceptions, a person must generally meet all of these requirements before the completion of the initial order for the automatic renewal or continuous service.

(Or. Rev. Stat. § 646A.295.)

Definition of “Clear and Conspicuous”	Means any of the following: <ul style="list-style-type: none"> • In larger type than the surrounding text. • In contrasting type, font or color to the surrounding text of the same size. • 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, means in a volume and cadence sufficient to be readily audible and understandable. (Or. Rev. Stat. § 646A.293(2).)
Penalties	If a business sends products to a consumer under an automatic renewal agreement without first obtaining the consumer’s affirmative consent as required by the law, the products are deemed to be an unconditional gift to the consumer (Or. Rev. Stat. § 646A.295(5)).
Good Faith Exception	None.

Pennsylvania

Contracts Subject to Law	Health club contracts only.
Statutory Authority	73 P.S. § 2164
Key Requirements	Maximum term of a health club contract is 36 months. It cannot contain an automatic renewal clause unless the contract provides for a renewal option for continued membership which must be affirmatively accepted by the buyer at the expiration of each contract term. (73 P.S. § 2164.)
Definition of “Clear and Conspicuous”	Not defined.
Penalties	A violation is considered a violation of the Unfair Trade Practices and Consumer Protection Law (73 P.S. § 2175(a)).
Good Faith Exception	None.

South Carolina

Contracts Subject to Law	Written contracts for physical fitness services with automatic renewal options.
Statutory Authority	S.C. Code Ann. § 44-79-60(4)
Key Requirements	<p>Contracts for physical fitness services may automatically renew, but for no longer than one month, and to be enforceable must be:</p> <ul style="list-style-type: none"> • Disclosed in bold type of at least 14-point font on the front page of the contract. • Initialed by the customer. <p>The customer has the ability to opt-in to the automatic renewal provision at the time the initial contract is executed by initialing an opt-in provision. Near the expiration of the initial contract, the facility must notify the customer in writing at the customer's last known address of the automatic renewal option which the customer selected at the time the initial contract was executed. Price may not increase or decrease in an automatically renewed contract without written notice to the customer of at least 30 but not more than 60 days before the effective date of the change in price.</p> <p>The contract must also state that the cancellation of the contract voids the automatic renewal provision.</p> <p>(S.C. Code Ann. § 44-79-60.)</p>
Definition of "Clear and Conspicuous"	Not defined, but requires bold type of at least 14-point font and that the customer initial the provision (S.C. Code Ann. § 44-79-60).
Penalties	None listed.
Good Faith Exception	None.

South Dakota

Contracts Subject to Law	Automatic renewal provisions in telecommunications contracts that have a term of one year or more and that automatically renew for a renewal term greater than 60 days.
Statutory Authority	SDCL 49-31-116
Key Requirements	<p>A provider must give prior written notice to the subscriber of the action that the subscriber must take to avoid automatic renewal not less than 30 and not more than 60 days before the date of the required action. The notice must inform the subscriber in clear, plain, and conspicuous language:</p> <ul style="list-style-type: none"> • What action the subscriber must take to avoid renewal. • The date by which the subscriber must act. <p>(SDCL 49-31-116.)</p>
Definition of "Clear and Conspicuous"	Not defined.

Automatic Renewal State Laws Charts: Overview

Penalties	<p>If the company fails to give the required notice:</p> <ul style="list-style-type: none">• The automatic renewal provision may not be enforced against the subscriber.• The subscriber may terminate the contract at will following expiration of the original term without incurring any liability or penalty for early termination. <p>(SDCL 49-31-116.)</p>
------------------	---

Good Faith Exception	None.
-----------------------------	-------

Tennessee

Contracts Subject to Law	Contracts for alarm systems contractor and homeowner or renter with automatic renewal clause.
---------------------------------	---

Statutory Authority	T.C.A. § 62-32-325
----------------------------	--------------------

Key Requirements	<p>A contract between an alarm systems contractor and any homeowner or renter for alarm services may not automatically renew for a period more than one year. At any time during an automatic renewal period, any party to the contract who is being relocated to a hospital, nursing home, or assisted living facility may cancel the contract by giving 30 days' written notice to the alarms system contractor. (T.C.A. § 62-32-325.)</p>
-------------------------	--

Definition of "Clear and Conspicuous"	Not defined.
--	--------------

Penalties	<p>The state board for licensing alarm systems contractors may:</p> <ul style="list-style-type: none">• When it deems appropriate, seek civil remedies at law or equity to restrain or enjoin any unauthorized practice or other violation of this part.• Impose a civil penalty of no more than \$5,000 against any person who violates any provision of this law or any rule of the board adopted under this law. In determining the amount of any penalty, the board considers the degree and extent of harm caused by the violation.
------------------	---

A violation of this law or any rule lawfully promulgated under this law is a Class B misdemeanor subject to fine only. (T.C.A. § 62-32-320.)

Good Faith Exception	None.
-----------------------------	-------

Utah

Contracts Subject to Law	<p>Service contracts (service, maintenance, or repair in connection with real property or benefit to real property) with automatic renewal provisions for one or more specified periods if the renewal causes the contract to be in effect more than six months after initiation; and the renewal is effective unless the consumer gives notice of consumer's intention to terminate (Utah Code § 15-10-102 (defining "automatic renewal provision" and "service contract")).</p>
---------------------------------	---

Utah also has a separate, older automatic renewal law specific to health spa services (any business enterprise that provides access to a facility for a charge or a fee for the development or preservation of physical fitness or well-being through exercise, weight control, or athletics). These contracts may not have a term in excess of 36 months,

Automatic Renewal State Laws Charts: Overview

but may include an automatic renewal provision if notice of the provision is provided to the consumer no sooner than 60 days before, and no later than 30 days before, the day on which the contract automatically renews. Violators are subject to a cease and desist order and an administrative fine of up to \$2,500 for each separate violation up to \$10,000 for any series of violations arising out of the same operative facts. (Utah Code §§ 13-23-2, 13-23-3, 13-23-7).

Statutory Authority	Utah Code §§ 15-10-201 and 15-10-202
Key Requirements	<p>For service contracts that automatically renew for periods greater than 12 months, a seller must provide written notice of an automatic renewal provision prominently displayed on the first page of the service contract, as well as written notice directly to the consumer:</p> <ul style="list-style-type: none"> • Personally. • By certified mail. • Prominently displayed on the first page of a monthly statement. <p>The written notice must be provided no later than 30 calendar days before the last day on which the consumer may give notice of the consumer's intention to terminate the service contract and no sooner than 90 calendar days before the last day on which the consumer may give notice of the consumer's intention to terminate the service contract. (Utah Code § 15-10-201.)</p>
Definition of "Clear and Conspicuous"	None stated, but notice must be written in clear and understandable language and printed in an easy-to-read type size and style (Utah Code § 15-10-201).
Penalties	The automatic renewal provision is void and unconscionable as a matter of public policy and the service contract must automatically renew on a month-to-month basis (Utah Code § 15-10-202).
Good Faith Exception	None.

Vermont

Contracts Subject to Law	A contract between a consumer and a seller or a lessor with an initial term of one year or longer that renews for a subsequent term that is longer than one month. The law does not apply to a contract between a consumer and financial institution or a contract for insurance.
Statutory Authority	9 V.S.A. § 2454a
Key Requirements	<p>A contract cannot renew automatically unless:</p> <ul style="list-style-type: none"> • The contract states clearly and conspicuously the terms of the automatic renewal provision. • In addition to accepting the contract, the consumer takes an affirmative action to opt in to the automatic renewal provision. • If the consumer opts in to the automatic renewal provision, the seller or lessor provides a written or electronic notice to the consumer: <ul style="list-style-type: none"> – no less than 30 days and not more than 60 days before the earliest of the automatic renewal date, the termination date, or the date by which the consumer must provide notice to cancel the contract; and

Automatic Renewal State Laws Charts: Overview

- that includes the date the contract will terminate and a clear statement that the contract will renew automatically unless the consumer cancels the contract on or before the termination date, and the length of any additional terms of the renewal period.

(9 V.S.A. § 2454a(a).)

A seller or lessor providing an automatic renewal offer must:

- Provide to the consumer a toll-free telephone number, email address, a postal address if the seller or lessor directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for canceling the contract.
- If the consumer accepted the contract online, permit the consumer to terminate the contract exclusively online, which may include a termination email formatted and provided by the seller or lessor that the consumer can send without additional information.

(9 V.S.A. § 2454a(b).)

Definition of “Clear and Conspicuous”	None stated, but notice must be written in plain, unambiguous language in bold-face type (9 V.S.A. § 2454a(a)(1)).
Penalties	A person who violates the provisions commits an unfair and deceptive act in violation of 9 V.S.A. § 2453 (9 V.S.A. § 2454a(c)).
Good Faith Exception	None.

Virginia

Contracts Subject to Law

Contracts for goods or services, or both, with an automatic renewal or continuous service offer to a consumer. The law **does not** apply to:

- Any service provided by a supplier or its affiliate where either the supplier or its affiliate is doing business pursuant to:
 - a franchise issued by a political subdivision of the Commonwealth; or
 - a license, franchise, certificate, or other authorization issued by the State Corporation Commission (SCC) to a public service company or public utility under Title 56.
- Any service provided by a supplier or its affiliate where either the supplier or its affiliate is regulated by the SCC, the Federal Communications Commission, or the Federal Energy Regulatory Commission.
- Alarm company operators that are regulated under § 15.2-911.
- A bank, bank holding company, or the subsidiary or affiliate of either, or a credit union or other financial institution, licensed under federal or state law.
- Any home protection company regulated by the SCC under Chapter 26 (§ 38.2-2600 et seq.) of Title 38.2.
- Any home service contract provider regulated by the Department of Agriculture and Consumer Services under Chapter 33.1 (§ 59.1-434.1 et seq.); or
- Any health club registered under the Virginia Health Club Act (59.1-294 et seq.).

(Va. Code Ann. § 59.1-207.48.)

Statutory Authority	Va. Code Ann. §§ 59.1-207.45 to 59.1-207.49
----------------------------	---

Automatic Renewal State Laws Charts: Overview

Key Requirements

A supplier making the automatic renewal or continuous service offer must:

- Present the automatic renewal offer terms in a clear and conspicuous manner before the 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 must 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 on conclusion of the trial.

- Obtain the consumer's affirmative consent to the agreement with the automatic renewal offer terms (including those made at a promotional or discounted price for a limited period of time) before charging the consumer's credit or debit card or third-party payment account.
- Provide an acknowledgment that includes:
 - the automatic renewal offer terms;
 - the cancellation policy; and
 - the information regarding how to cancel in a manner that is capable of being retained by the consumer.

If the automatic renewal offer includes a free gift or trial, the business must also disclose in the acknowledgment how to cancel and allow the consumer to cancel before the consumer pays for the goods or services.

- Provide a toll-free telephone number, email address, postal address if the business directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation.
- Before implementing a material change, provide the consumer:
 - notice of any material change to the terms of the automatic renewal that has been accepted by a consumer via a clear and conspicuous notice; and
 - information regarding how to cancel in a manner that is capable of being retained by the consumer.

(Va. Code Ann. §§ 59.1-207.45 and 59.1-207.46.)

Definition of "Clear and Conspicuous"

Means:

- In larger type than the surrounding text.
- In contrasting type, font, or color to the surrounding text of the same size.
- 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.
- For audio disclosures, in a volume and cadence sufficient to be readily audible and understandable.

(Va. Code Ann. § 59.1-207.45.)

Penalties

A violation is a prohibited practice under the Virginia Consumer Protection Act (VCPA) (Va. Code Ann. §§ 59.1-196 to 59.1-207), except a supplier is not subject to civil penalties or damages if the supplier makes a good faith effort to comply with the law's requirements (Va. Code Ann. § 59.1-207.49).

Violations are subject to the enforcement provisions of the VCPA. Suppliers may be subject to civil penalties (up to \$5,000 per violation) or damages (private right of action from individual consumers), or both. (Va. Code Ann. § 59.1-207.49.)

In any case in which a supplier sends any goods, wares, merchandise, or products to a consumer under a continuous service agreement or automatic renewal of a purchase without first obtaining the consumer's affirmative consent, the goods, wares, merchandise, or products must for all purposes be deemed an unconditional gift to the consumer, who may use or dispose of the same in any manner the consumer sees fit without any obligation whatsoever on the consumer's part to the supplier, including any obligation or responsibility for shipping any goods, wares, merchandise, or products to the supplier (Va. Code Ann. § 59.1-207.47).

Good Faith Exception

If a supplier makes a good faith effort to comply with the statutory requirements, the supplier is not subject to either a civil penalty under Va. Code Ann. § 59.1-206 or damages under Va. Code Ann. § 59.1-204 (Va. Code Ann. § 59.1-207.49).

Wisconsin

Contracts Subject to Law

Requires businesses, including health care providers and insurers, to notify customers of automatic renewal or extension provisions in "business contracts," which are defined as contracts that are entered into for either:

- The lease of business equipment, if any of the business equipment is used primarily in the state.
- Providing business services, but only if the contract is for the direct benefit of the end user of the business equipment or business services.

The definition also excludes many types of contracts from its regulation.

Statutory Authority

Wis. Stat. § 134.49

Key Requirements

If a business contract has an automatic renewal provision for more than a period of one month, the seller must do one of the following:

- When the customer enters into the contract, present to the customer a copy of a form including the required disclosures required and obtain the customer's signature on the form.
- Include the required disclosures in the contract in a conspicuous manner and obtain the customer's initials on the contract on a page on which a disclosure appears.

A required disclosure must contain all of the following:

- A statement that the contract will be renewed or extended unless the customer declines renewal or extension.
- A statement indicating the duration of the additional contract period that would result from an automatic renewal or extension period.
- A statement indicating whether an increase in charges to the customer will apply upon an automatic renewal or extension.

Automatic Renewal State Laws Charts: Overview

- A description of action the customer must take to decline renewal or extension.
- The date of the deadline for the customer to decline renewal or extension.

If a contract for more than 12 months has an automatic renewal provision that renews for more than 12 months, the seller must provide to the customer at least 15 days but not more than 60 days before the deadline for the customer to decline renewal or extension, a written notice containing all of the following:

- A statement that the contract will be renewed or extended unless the customer declines renewal or extension.
- The deadline for the customer to decline renewal or extension.
- A description of any increase in charges to the customer that will apply after renewal or extension.
- A description of action that the customer must take to decline extension or renewal.

Manner of notice required is satisfied by:

- Mailing a copy of the notice by regular US mail to the customer at the customer's last-known business address, unless the contract requires the customer to notify the seller by certified mail of the customer's intent to cancel.
- Mailing a copy of the notice by registered or certified mail to the customer at the customer's last-known business address.
- Giving a copy of the notice personally to an owner, officer, director, or managing agent of the customer's business.
- Including the notice on the first page of a monthly invoice sent to the customer. The notice must be prominently displayed in bold face type and in a type size no smaller than 12-point.
- Sending a facsimile to the customer to the customer's last-known facsimile number, if the contract permits the customer to use this method to notify the seller that the customer declines renewal or extension of the contract.
- Sending an email to the customer at the customer's last-known email address, if the contract permits the customer to use this method to notify the seller that the customer declines renewal or extension of the contract.
- By sending the notice via a recognized overnight courier service, if the contract permits the customer to use this method to notify the seller that the customer declines renewal or extension of the contract.

(Wis. Stat. § 134.49.)

Definition of "Clear and Conspicuous"	Not defined.
Penalties	Damages and attorneys' fees (Wis. Stat. § 134.49(6)).
Good Faith Exception	<p>Yes. A seller is not liable in an action or counterclaim if the court finds either of the following:</p> <ul style="list-style-type: none"> • All of the following: <ul style="list-style-type: none"> – the seller has established and implemented written procedures for compliance; – the seller's failure to comply or the seller's attempt to enforce a provision that is void and unenforceable was not willful or malicious; and

Automatic Renewal State Laws Charts: Overview

- the seller has refunded any amounts paid by the customer after the date of the renewal or extension until the date on which the business contract is terminated.
 - The customer requested, in writing, renewal or extension of the contract that is the basis for the customer's action or counterclaim against the seller, and the customer was aware of the terms under which the contract would be renewed or extended.
- (Wis. Stat. § 134.49(6)(d).)

About Practical Law

Practical Law provides legal know-how that gives lawyers a better starting point. Our expert team of attorney editors creates and maintains thousands of up-to-date, practical resources across all major practice areas. We go beyond primary law and traditional legal research to give you the resources needed to practice more efficiently, improve client service and add more value.

If you are not currently a subscriber, we invite you to take a trial of our online services at legalsolutions.com/practical-law. For more information or to schedule training, call 1-800-733-2889 or e-mail referenceattorneys@tr.com.