

By: Representative McKnight

To: Business and Commerce

HOUSE BILL NO. 1653

1 AN ACT TO REQUIRE BUSINESSES THAT MAKE AUTOMATIC RENEWAL
 2 OFFERS OR CONTINUOUS SERVICE OFFERS TO CONSUMERS TO PRESENT THE
 3 TERMS OF SUCH AUTOMATIC RENEWALS OR CONTINUOUS SERVICE OFFERS IN A
 4 CLEAR AND CONSPICUOUS MANNER BEFORE THE SUBSCRIPTION OR PURCHASING
 5 AGREEMENT IS FULFILLED; TO PROHIBIT THE CHARGING OF A CONSUMER'S
 6 CREDIT OR DEBIT CARD, OR ACCOUNT WITH A THIRD PARTY, FOR AN
 7 AUTOMATIC RENEWAL OR CONTINUOUS SERVICE WITHOUT FIRST OBTAINING
 8 THE CONSUMER'S AFFIRMATIVE CONSENT TO THE AGREEMENT; TO PRESCRIBE
 9 THE METHODS BY WHICH A BUSINESS SHALL PROVIDE CONSUMERS WITH THE
 10 ABILITY TO CANCEL ANY AUTOMATIC RENEWAL OR CONTINUOUS SERVICE
 11 OFFER; TO REQUIRE BUSINESS TO NOTIFY CONSUMERS OF A MATERIAL
 12 CHANGE IN THE TERMS OF THE AUTOMATIC RENEWAL OR CONTINUOUS
 13 SERVICE; TO REQUIRE THOSE BUSINESSES THAT ALLOW CONSUMERS TO
 14 ACCEPT AN AUTOMATIC RENEWAL OR CONTINUOUS SERVICE OFFER ONLINE TO
 15 ALSO ALLOW THE CONSUMERS TO TERMINATE THE AUTOMATIC RENEWAL OR
 16 CONTINUOUS SERVICE EXCLUSIVELY ONLINE, AT WILL, AND WITHOUT
 17 ENGAGING ANY FURTHER STEPS THAT OBSTRUCT OR DELAY THE CONSUMER'S
 18 ABILITY TO TERMINATE THE AUTOMATIC RENEWAL OR CONTINUOUS SERVICE
 19 IMMEDIATELY; TO REQUIRE THOSE BUSINESSES TO PROVIDE A METHOD OF
 20 TERMINATION THAT IS EITHER ONLINE IN THE FORM OF A PROMINENTLY
 21 LOCATED DIRECT LINK OR BUTTON TO CANCEL OR BY A TERMINATION EMAIL;
 22 AND FOR RELATED PURPOSES.

23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

24 **SECTION 1.** (1) It shall be unlawful for any business that
 25 makes an automatic renewal offer or continuous service offer to a
 26 consumer in this state to do any of the following:

27 (a) Fail to present the automatic renewal offer terms
 28 or continuous service offer terms in a clear and conspicuous



29 manner before the subscription or purchasing agreement is
30 fulfilled and in visual proximity, or, in the case of an offer
31 conveyed by voice, in temporal proximity, to the request for
32 consent to the offer. If the offer also includes a free gift or
33 trial, the offer shall include a clear and conspicuous explanation
34 of the price that will be charged after the trial ends or the
35 manner in which the subscription or purchasing agreement pricing
36 will change upon conclusion of the trial;

37 (b) Charge the consumer's credit or debit card, or the
38 consumer's account with a third party, for an automatic renewal or
39 continuous service without first obtaining the consumer's
40 affirmative consent to the agreement containing the automatic
41 renewal offer terms or continuous service offer terms, including
42 the terms of an automatic renewal offer or continuous service
43 offer that is made at a promotional or discounted price for a
44 limited period of time; and

45 (c) Fail to provide an acknowledgment that includes the
46 automatic renewal offer terms or continuous service offer terms,
47 cancellation policy, and information regarding how to cancel in a
48 manner that is capable of being retained by the consumer. If the
49 automatic renewal offer or continuous service offer includes a
50 free gift or trial, the business shall also disclose in the
51 acknowledgment how to cancel, and allow the consumer to cancel,
52 the automatic renewal or continuous service before the consumer
53 pays for the goods or services.



54 (2) A business that makes an automatic renewal offer or
55 continuous service offer shall provide a toll-free telephone
56 number, electronic mail address, a postal address if the seller
57 directly bills the consumer, a prominently located direct link or
58 button clearly denoting the option to cancel the subscription, or
59 it shall provide another cost-effective, timely, and easy-to-use
60 mechanism for cancellation that shall be described in the
61 acknowledgment specified in subsection (1)(c).

62 (3) In addition to the requirements of subsection (2), a
63 consumer who accepts an automatic renewal or continuous service
64 offer online shall be allowed to terminate the automatic renewal
65 or continuous service exclusively online, which may include a
66 termination email formatted and provided by the business that a
67 consumer can send to the business without additional information.

68 (4) In the case of a material change in the terms of the
69 automatic renewal or continuous service that has been accepted by
70 a consumer in this state, the business shall provide the consumer
71 with a clear and conspicuous notice of the material change and
72 provide information regarding how to cancel in a manner that is
73 capable of being retained by the consumer.

74 (5) The requirements of this act shall apply only before the
75 completion of the initial order for the automatic renewal or
76 continuous service, except as follows:

77 (a) The requirement prescribed in subsection (1)(c) may
78 be fulfilled after completion of the initial order.



79 (b) The requirement in subsection (4) shall be
80 fulfilled before the implementation of the material change.

81 **SECTION 2.** (1) It is unlawful for any business that makes
82 an automatic renewal offer or continuous service offer to a
83 consumer in this state to do any of the following:

84 (a) Fail to present the automatic renewal offer terms
85 or continuous service offer terms in a clear and conspicuous
86 manner before the subscription or purchasing agreement is
87 fulfilled and in visual proximity, or, in the case of an offer
88 conveyed by voice, in temporal proximity, to the request for
89 consent to the offer. If the offer also includes a free gift or
90 trial, the offer shall include a clear and conspicuous explanation
91 of the price that will be charged after the trial ends or the
92 manner in which the subscription or purchasing agreement pricing
93 will change upon conclusion of the trial;

94 (b) Charge the consumer's credit or debit card, or the
95 consumer's account with a third party, for an automatic renewal or
96 continuous service without first obtaining the consumer's
97 affirmative consent to the agreement containing the automatic
98 renewal offer terms or continuous service offer terms, including
99 the terms of an automatic renewal offer or continuous service
100 offer that is made at a promotional or discounted price for a
101 limited period of time;

102 (c) Fail to provide an acknowledgment that includes the
103 automatic renewal offer terms or continuous service offer terms,



104 cancellation policy, and information regarding how to cancel in a
105 manner that is capable of being retained by the consumer. If the
106 automatic renewal offer or continuous service offer includes a
107 free gift or trial, the business shall also disclose in the
108 acknowledgment how to cancel, and allow the consumer to cancel,
109 the automatic renewal or continuous service before the consumer
110 pays for the goods or services;

111 (d) Fail to provide a consumer with a notice, as may be
112 required by subsection (2), that clearly and conspicuously states
113 all of the following:

114 (i) That the automatic renewal or continuous
115 service will automatically renew unless the consumer cancels;

116 (ii) The length and any additional terms of the
117 renewal period;

118 (iii) One or more methods by which a consumer can
119 cancel the automatic renewal or continuous service;

120 (iv) If the notice is sent electronically, the
121 notice shall include either a link that directs the consumer to
122 the cancellation process, or another reasonably accessible
123 electronic method that directs the consumer to the cancellation
124 process if no link exists; and

125 (v) Contact information for the business.

126 (2) A business shall provide a consumer with a notice as
127 specified in subsection (1)(d) if either of the following is true,
128 provided that if an automatic renewal offer or a continuous



129 service offer requires a notice under both paragraphs (a) and (b)
130 of this subsection, only the notice specified in paragraph (b)
131 shall be required:

132 (a) The consumer accepted a free gift or trial, lasting
133 for more than thirty-one (31) days, that was included in an
134 automatic renewal offer or continuous service offer or the
135 consumer accepted an automatic renewal offer or continuous service
136 offer at a promotional or discounted price, and the applicability
137 of that price was more than thirty-one (31) days.

138 (i) The notice shall be provided at least three
139 (3) days before and at most twenty-one (21) days before the
140 expiration of the predetermined period of time for which the free
141 gift or trial, or promotional or discounted price, applies;

142 (ii) An offer shall be exempt from the
143 requirements under this paragraph if the consumer does not enter
144 into the contract electronically and the business has not
145 collected or maintained the consumer's valid email address, phone
146 number, or another means of notifying the consumer electronically.

147 (iii) For purposes of this paragraph, "free gift"
148 does not include a free promotional item or gift given by the
149 business that differs from the subscribed product; or

150 (b) The consumer accepted an automatic renewal offer or
151 continuous service offer with an initial term of one (1) year or
152 longer, that automatically renews unless the consumer cancels the
153 automatic renewal or continuous service. In this case, the notice



154 shall be provided at least fifteen (15) days and not more than
155 forty-five (45) days before the automatic renewal offer or
156 continuous service offer renews.

157 (3) A business that makes an automatic renewal offer or
158 continuous service offer shall provide a toll-free telephone
159 number, electronic mail address, a postal address if the seller
160 directly bills the consumer, or it shall provide another
161 cost-effective, timely, and easy-to-use mechanism for cancellation
162 that shall be described in the acknowledgment specified in
163 subsection (1)(c).

164 (4) (a) In addition to the requirements of subsection (2),
165 a business that allows a consumer to accept an automatic renewal
166 or continuous service offer online shall allow a consumer to
167 terminate the automatic renewal or continuous service exclusively
168 online, at will, and without engaging any further steps that
169 obstruct or delay the consumer's ability to terminate the
170 automatic renewal or continuous service immediately. The business
171 shall provide a method of termination that is online in the form
172 of either of the following:

173 (i) A prominently located direct link or button
174 which may be located within either a customer account or profile,
175 or within either device or user settings; or

176 (ii) By an immediately accessible termination
177 email formatted and provided by the business that a consumer can
178 send to the business without additional information.



179 (b) The termination requirements of this subsection
180 apply to the automatic renewal terms and continuous service terms
181 of the contract and the remaining provisions of the contract
182 continue to be governed by all applicable laws and regulations.

183 (c) Notwithstanding paragraph (a), a business may
184 require a consumer to enter account information or otherwise
185 authenticate online before termination of the automatic renewal or
186 continuous service online if the consumer has an account with the
187 business. A consumer who is unwilling or unable to enter account
188 information or otherwise authenticate online before termination of
189 the automatic renewal or continuous service online shall not be
190 precluded from authenticating or terminating the automatic renewal
191 or continuous service offline using another method pursuant to
192 subsection (3).

193 (5) In the case of a material change in the terms of the
194 automatic renewal or continuous service that has been accepted by
195 a consumer in this state, the business shall provide the consumer
196 with a clear and conspicuous notice of the material change and
197 provide information regarding how to cancel in a manner that is
198 capable of being retained by the consumer.

199 (6) The requirements of this article shall apply only before
200 the completion of the initial order for the automatic renewal or
201 continuous service, except as follows:

202 (a) The requirements of subsection (1) (c) and (d) may
203 be fulfilled after completion of the initial order.



204 (b) The requirements in subsection (2) may be fulfilled
205 after completion of the initial order.

206 (c) The requirement in subsection (5) shall be
207 fulfilled prior to implementation of the material change.

208 **SECTION 3.** This act shall take effect and be in force from
209 and after July 1, 2024.

