

Automatic Renewal Laws in All 50 States – Index

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[Alaska](#)^{*†}

[Arizona](#)^{*}

[Arkansas](#)

[California](#)

[Colorado](#)

[Connecticut](#)[†]

[Delaware](#)^{*†}

[District of Columbia](#)

[Florida](#)[†]

[Georgia](#)

[Hawaii](#)

[Idaho](#)^{*}

[Illinois](#)

[Indiana](#)^{*}

[Iowa](#)^{*}

[Kansas](#)^{*}

[Kentucky](#)^{*}

[Louisiana](#)

[Maine](#)^{*}

[Maryland](#)[†]

[Massachusetts](#)^{*†}

[Michigan](#)^{*†}

[Minnesota](#)^{*†}

[Mississippi](#)^{*}

[Missouri](#)^{*}

[Montana](#)

[Nebraska](#)^{*}

[Nevada](#)

[New Hampshire](#)

[New Jersey](#)^{*}

[New Mexico](#)[†]

[New York](#)[†]

[North Carolina](#)

[North Dakota](#)^{*†}

[Ohio](#)^{*}

[Oklahoma](#)^{*}

[Oregon](#)

[Pennsylvania](#)^{*}

[Rhode Island](#)

[South Carolina](#)

[South Dakota](#)

[Tennessee](#)

[Texas](#)^{*}

[Utah](#)

[Vermont](#)

[Virginia](#)

[Washington](#)^{*†}

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[Wisconsin](#)

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States marked with an asterisk (*) have no current automatic renewal law.

States marked with an obelisk (†) are currently considering proposed automatic renewal law(s).

NOTE: This survey does not include state laws relating to restrictions around automatic renewals of real property. The guidance contained in this overview does not constitute legal advice; please consult with an attorney when implementing automatic renewal law compliance policies and practices.

Automatic Renewal Laws in All 50 States

Alabama

No current law

Proposed bills

HB405 - 1 by Representative Wood;

STATUS: Introduced on 3/14/2017; died in committee

[Full bill text](#)

Overview: The bill relates to service contracts and aims to:

- (1) Provide for notice of automatic renewal provisions in service contracts.
- (2) Provide for notice to a consumer prior to the automatic renewal of a service contract.
- (3) Provide for exemptions.
- (4) Provide that failure to provide notice shall render the automatic renewal provision of a contract void and unenforceable.

If passed, the bill would require that automatic renewal provisions:

- (1) "Disclose the automatic renewal provision clearly and conspicuously in not less than 14-point bold type in the contract or contract offer."
- (2) If pursuant to a service contract of 12 months or more that automatically renew for a specified period of more than one month, shall "provide the consumer with written or electronic notice" of the automatic renewal provision (no less than 30 days, but no more than 60 days before deadline).
- (3) Must disclose clearly and conspicuously:
 - (a) That unless the consumer cancels the contract, the contract shall automatically renew.
 - (b) How the consumer may obtain details of the automatic renewal provision and cancellation procedure, including contact information of seller (telephone number or address)

Alaska

No current law

Proposed bills

SB 103.

STATUS: Last recorded action on 1/22/2014 - Referred to Labor & Commerce

[Full bill text](#)

Overview: This proposed Act relates to automatic renewals of contracts for home security products or services; and relating to the Alaska Unfair Trade Practices and Consumer Protection Act.

Arizona

No current law

Proposed bills

None

Arkansas

Code Section

[Arkansas Code § 4-86-109 \(2014\)](#)

Contracts Applicable to Law

Written leases of personal property with automatic renewal provisions at the end of the initial lease term.

Requirements

For a lease of personal property for more than one year, the inclusion of an automatic renewal provision requires the lessor to provide written notice of the automatic renewal at least 30 days before the date of cancellation of the renewal is due by the lessee. §4-86-109(b)(1)

Definition of “Clear and Conspicuous”

Not defined.

Penalty for Failure to Comply

The automatic lease agreement renewal is voidable at the option of the lessee.

Proposed bills

None

California

Code Section

California Business & Professional Code Section 17601-17606, as amended

Contracts Applicable 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. §17601(a)

Requirements

The business making the automatic renewal or continuous service offer must:

- (1) 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 upon conclusion of the trial;
- (2) 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 the consumer's account with a third party;
- (3) Provide an acknowledgement that includes the automatic renewal offer terms, cancellation policy and 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 acknowledgement how to cancel, and allow the consumer to cancel *before the consumer pays for the goods or services*;
- (4) Provide a toll-free telephone number, e-mail address, a postal address if the business directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation;
- (5) Allow the consumer who accepts an automatic renewal offer online to terminate *exclusively online* (a termination email template provided by the business is acceptable);

(6) 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.

Definition of “Clear and Conspicuous”

Clear and conspicuous means:

- In larger type than the surrounding text, or 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 clearly calls attention to the language.
- If it is an audio disclosure, clear and conspicuous means: in a volume and cadence sufficient to be readily audible and understandable.

Penalty for Failure to Comply

If notice is not provided according to this section, then the products or services furnished to the recipient after the expiration of the period of time specified in the contract shall be deemed an unconditional gift. §17603

A violation of this article shall not be a crime; however, all civil remedies that apply to a violation of this article may be employed. §17604 If a business complies with the provisions of this article in good faith, it shall not be subject to civil remedies. §17604(b)

Colorado

Code Section

Colorado Revenue Statute Annotated Subsection 6-1-704

Contracts Applicable to Law

Health club services only; See also negative option plans, which are restricted

Requirements

Any advertisement or sale of a membership of a health club must:

- (1) 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.
- (2) Provide the buyer conspicuous notice of the buyer's right to rescind the sale by either telegram, mail or hand delivery.
- (3) Allow the buyer, or the estate of the buyer, to cancel the membership contract in five separate circumstances.

Lifetime or perpetual memberships are not permitted.

Definition of “Clear and Conspicuous”

Not defined.

Penalty for Failure to Comply

None stated.

Proposed bills

None

Connecticut

Code Section

[CT Gen Stat § 42-126b \(2013\)](#)

Contracts Applicable 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 pursuant to a written contract containing automatic renewal for a period of more than 31 days at the end of the period of time.

Requirements

Seller must provide the recipient of such products or services with a clear and conspicuous written notice that the recipient may cancel such contract.

For contracts for over 180 days the clear and conspicuous **written** notice must:

- (1) Include the procedure for such cancellation;
- (2) Be given at least 14 days but not more than 60 days prior to the earlier date of:
 - (a) the date upon which the contract will be renewed.
 - (b) the expiration of the time period for cancellation by the recipient.

Mailing of the written notice by U.S. 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.

For contracts under 180 days, the clear and conspicuous **written** notice must:

- (1) State that the recipient of such products or services may cancel such contract and the procedure for such cancellation, provided the recipient shall not be required to exercise such right of cancellation more than 60 days prior to the expiration of the specified period of time.

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

If notice is not provided according to this section, then the products or services furnished to the recipient after the expiration of the period of time specified in the contract shall be deemed an unconditional gift.

Proposed bills

S.B. No 527 by Sen. Steve Cassano, 4th District. An Act Allowing Consumers To Unsubscribe Or Opt Out Of Online Services

STATUS: Last recorded action on 1/20/2017: Referred To Joint Committee On General Law Committee

[Full bill text](#)

Overview: This Act would allow consumers to unsubscribe or opt out of online services.

The act proposes to amend the general statutes to allow Connecticut residents to "unsubscribe from or opt out of an online service and to prohibit the practice of 'call and cancel.'"

See also

Raised S.B. No. 822. An Act Concerning Consumer Contracts (*Amending*)

STATUS: Last recorded action on 2/17/2017: Public Hearing 02/21

[Full bill text](#)

Overview: This Act stipulates that if a consumer who is 60 years of age or more dies during the term of a consumer contract or consumer lease, the consumer contract or lease shall be deemed terminated upon the consumer's death and any penalty provision contained within the contract or lease regarding early termination shall be unenforceable and unreasonable.

Delaware

Code Section

No current law

Proposed bills

House Bill 321 by Heffeman. "An Act to Amend Title 6 of the Delaware Code Relating to Consumer Contracts."

STATUS: Introduced on 3/1/2018 to the House Economic Development/Banking/Insurance/Commerce.

[Full bill text](#)

Overview: This Act requires that consumer contracts which contain automatic renewal provisions must clearly and conspicuously disclose the terms of the automatic renewal procedures for cancelling the automatic renewal. In contracts that renew after 12 months or more, the provider of goods or services must provide an additional written notice to the consumer no less than 60 and no more than 30 days before the time for cancellation expires, along with information on how to cancel. Violations of the terms of this Act can result in an award to the consumer of treble damages plus attorney's fees and may also be addressed through the authority of the Consumer Protection Unit of the Department of Justice pursuant to provisions in subchapter IV.

District of Columbia

Code Section

[D.C. Law 22-235. Structured Settlements and Automatic Renewal Protections Act of 2018](#)

[Full bill text](#)

Contracts Applicable to Law

Any person selling a good or service to a consumer pursuant to a contract with an initial term of 12 months or more that will automatically renew for a term of one month or more unless canceled.

Requirements

The seller must notify the consumer of the first automatic renewal (and annually thereafter) by (a) first class mail, (b) email, or (c) 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 such form.

Such notice must be sent to the consumer no fewer than 30 (but no more than 60) days before the cancellation deadline for the first automatic renewal (and the same annually thereafter), and it must clearly and conspicuously disclose:

- (1) that unless the consumer cancels the contract, it will automatically renew;
- (2) the cost of the goods or services for the term of the renewal;
- (3) the deadline by which the consumer must cancel the contract to prevent the automatic renewal; and
- (4) 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 easily accessible form of communication.

If the notice is provided by email, include active weblinks to allow the consumer to cancel the automatic renewal.

Additionally, if the seller provides a person 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 seller must notify the consumer of the automatic renewal between one and seven 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.

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.

Penalty for Failure to Comply

A violation of this title shall render an automatic renewal provision void and terminate the contract at the time in which the violation occurred, and it will also constitute a violation of the District of Columbia Consumer Protection Procedures Act (unless the person can demonstrate a good faith effort to comply, including establishing written procedures).

Florida

Code Section

Florida Statute Annotated Section 501.165

Contracts Applicable to Law

Service contracts (relating to service, maintenance or repair) that are 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.

Requirements

Seller must disclose the automatic renewal provision clearly and conspicuously in the contract or contract offer. If the contract is 12 months or more, and if it automatically renews for more than one month, then unless consumer cancels the contract, the seller must provide the consumer with written or electronic notification of the automatic renewal provision. Notification shall be provided no less than 30 (but no more than 60) days before the cancellation deadline. Such notification shall disclose clearly and conspicuously:

1. That unless consumer cancels the contract will automatically renew.
2. Methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedure, whether by contacting the seller at a specified telephone number or address, by referring to the contract or by any other method.

Definition of "Clear and Conspicuous"

None stated.

Penalty for Failure to Comply

Seller must refund the money (according to requirements below) as of the date on which the seller is notified.

Seller will not be in violation of this section if the seller demonstrates that as part of seller's routine business practice, the seller has established and implemented written procedures to comply with this section and enforces

compliance with such procedures; any failure to comply is the result of error, and as part of seller's routine business practice, where an error has caused failure to comply, 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. (Section 501.165 (2)(c)).

Proposed bills

SB 218 by Thurston.

STATUS: Last recorded action on 5/5/2017: Senate, Died in Communications, Energy, and Public Utilities

[Full bill text](#)

Overview: This bill pertains to cable and Video Service Agreements; requiring a service agreement to specify in the agreement whether such agreement will be automatically renewed under special circumstances, etc.

Georgia

Code Section

Georgia Code Annotated Subsection 13-12-2.13-12-3

Contracts Applicable to Law

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.

Requirements

Must disclose the automatic renewal provision clearly and conspicuously in the contract or contract offer.

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 shall provide the consumer with written or electronic notification of the automatic renewal provision. Notice shall be provided to the consumer no less than 30 (but no more than 60) days before the cancellation deadline. Such notification shall disclose clearly and conspicuously:

1. That unless the consumer cancels the contract, the contract will automatically renew.
2. The methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedure, including contacting the seller at a specified telephone number or address, referring to the contract, or any other method.

Definition of "Clear and Conspicuous"

None stated.

Penalty for Failure to Comply

A violation of this statute renders the automatic renewal provision of a contract void and unenforceable. (Section 13-12-5).

Hawaii

Code Section

Hawaii Revenue Statute Section 481-9.5

Contracts Applicable to Law

Service contracts for products or services with a term of more than one month that automatically renew for a specified term of more than one month unless consumer cancels the contract. (Section 481-9.5(b)).

Requirements

If the contract has a specified term of 12 months or more, and if the automatic renewal is for a term of more than 1 month, then seller must notify the consumer clearly and conspicuously:

- (1) that the contract will automatically renew unless the consumer cancels the contract;
- (2) how to cancel the contract; and
- (3) the deadline by which the consumer shall respond to cancel the consumer contract and prevent automatic renewal.

Such notice must be sent no less than 30 (but no more than 60) days before the date upon which consumer must respond. Electronic notice is acceptable if the transaction for the sale was electronic or the consumer elects to receive electronic notice.

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 clearly calls attention to the language. In the case of an audio disclosure, "clear and conspicuous" and "clearly and conspicuously" mean in a volume and cadence sufficient to be readily audible and understandable. (Section 481-9.5(f))

Penalty for Failure to Comply

Any person who violates this section or who knowingly fails to cancel an automatic renewal contract upon consumer request shall be 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 section 480-2. (Section 481-9.5(d))

Idaho

Code Section

No current law

Proposed bills

None

Illinois

Code Section

815 ILCS Section 601/10, 610/15, 610/20

Contracts Applicable to Law

Any contract for products or services that automatically renews unless the consumer cancels the contract.

Requirements

The seller must disclose the automatic renewal clause clearly and conspicuously in the contract, including the cancellation procedure.

If the contract has a specified term of 12 months or more and the automatic renewal is for a term of more than one month, then seller must notify the consumer in **writing**. Such written notice shall disclose clearly and conspicuously:

- (1) that unless the consumer cancels the contract it will automatically renew; and
- (2) where the consumer can obtain details of the automatic renewal provision and cancellation procedure (for example, by contacting the business at a specified phone number or address or by referring to the contract).

Definition of “Clear and Conspicuous”

Not defined

Penalty for Failure to Comply

A violation of this act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

Proposed bills

None

Indiana

Code Section

No current law

Proposed bills

None

Iowa

Code Section

No current law, however, the Iowa Attorney General has [enforced exceptions](#) under other Iowa statutes that provide consumers with a right to cancel:

Door to door sales, buying clubs, funeral services, social referral services, business opportunities, membership campground contracts, exercise clubs and time shares.

See also [Judgment against Time, Inc.](#) for its automatic renewal procedures, which allegedly resulted in consumers being charged for unwanted magazines.

Proposed bills

None

Kansas

Code Section

No current law

Proposed bills

None

Kentucky

Code Section

No current law

Proposed bills

None

Louisiana

Code Section

Louisiana Revenue Statute Section 9:2716

Contracts Applicable to Law

Any contract for products or services where such contract automatically renews unless the consumer cancels the contract.

Requirements

Seller must disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer or with delivery of products or services.

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

Any contract automatically renewed in violation of this Section shall revert to a 30 day renewal contract in accordance with the same terms. (Section 2716 E).

Seller will not be in violation of this section if the seller demonstrates that as part of seller's routine business practice, the seller has established and implemented written procedures to comply with this section and enforces compliance with such procedures; any failure to comply is the result of error, and as part of seller's routine business practice, where an error has caused failure to comply, the seller provides a full refund or credit for all amounts billed or to be 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. (Section 2716 C (3)).

Proposed bills

None

Maine

Code Section

No current law

Proposed bills

None

Maryland

Code Section

2013 Maryland Code Section 14-12B-06

Contracts Applicable to Law

Health club services *only*.

Requirements

(a) 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.

(b) Cancellation. A buyer may cancel a health club services agreement within three business days after receipt of a copy of the agreement after notifying the health club in writing. Each contract for health club services shall conspicuously disclose under the heading "Notice of Consumer Rights":

- (1) seller's health club registration number with the Division;
- (2) a description of whether the seller is bonded and the amount, or an explanation of why not bonded;
- (3) the buyer's right to cancel as defined in this section; and
- (4) the buyer's rights in the event of a disability or temporary closing. *See other disclosure requirements.*

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

None stated.

Proposed bills

Senate Bill 514 by Senator Pinsky. "An Act Concerning Commercial Law – Automatic Renewals."

STATUS: 2/4/2019: Introduced and first read

[Full bill text](#)

Overview: A person that offers automatic renewal offers online must allow a consumer who accepts an automatic renewal offer online to terminate the automatic renewal exclusively online. If an automatic renewal offer includes a free gift of trial, the offer must include a clear and conspicuous notice of: (a) the price that will be charged after the trial ends; or (2) the manner in which the subscription or purchasing agreement pricing will change on conclusion of the trial. A violation of this act is considered an unfair or deceptive practice.

Massachusetts

Code Section

No current law

Proposed bills

House Bill No. 3471 by Paul McMurtry. "An Act establishing automatic contract renewal."

STATUS: 7/2/2018: Accompanied a study order

[Full bill text](#)

Overview: Any person that sells or offers to sell any products or services pursuant to an automatically renewing contract shall disclose the automatic renewal clause clearly and conspicuously in the contract, including the cancellation procedure. A person must provide written notice if the contract term is 12 months or more and the contract automatically renews for more than one month unless the consumer cancels, which must clearly and conspicuously disclose that unless the consumer cancels the contract it will automatically renew, and where the

consumer can obtain details of the automatic renewal provision and the cancellation procedure. A violation would be prima facie evidence that a person engaged in an unfair or deceptive act, and the person may be required to provide a full refund or credit for all amounts billed or paid by the consumer from the date of the renewal until the date of the termination of the account.

Michigan

Code Section

No current law

Proposed bills

None

Minnesota

Code Section

No current law

Proposed bills

SF 73 by Clausen and Latz.

STATUS: Last recorded action on 1/11/2017: Referred to Commerce and Consumer Protection Finance and Policy.

[Full bill text](#)

Overview: This bill would apply to consumer contracts with an original term of one year or more that automatically renews for more than one month.

Requirements: If the contract contains an automatic renewal clause, the seller shall:

- (1) Clearly and conspicuously disclose to the consumer the automatic renewal clause and the procedure for canceling the automatic renewal at the time that the seller enters into the contract;
- (2) Give the consumer written notice of the automatic renewal clause and the procedure for canceling the automatic renewal no less than 30 (but no more than 60) days before the last date on which the consumer may cancel the automatic renewal.

Written notice of automatic renewal must include:

- (a) that the contract will automatically renew if the consumer does not cancel;
- (b) the cancellation procedure; and
- (c) the dates during which the consumer may cancel the automatic renewal.

This written notice may be sent by mail, certified mail, or personal service, or by including a statement in an invoice in red ink or in boldfaced type large enough to be easily noticed. A consumer may cancel the automatic renewal of a contract at any time before the beginning of the automatic renewal period, at no cost to the consumer, by following the procedure set forth in the disclosure and notice provided by seller. If the seller fails to provide either the disclosure or the written notice required, the consumer may cancel the automatic renewal by any reasonable means at any time.

Mississippi

Code Section

No current law

Proposed bills

None

Missouri**Code Section**

No current law

Proposed bills

None

Montana**Code Section**

Administrative Rules of Montana 38.5.6004

Contracts Applicable to Law

Contracts for utility, transmission services, energy services, metered service, billing service or other involved in the sale of natural gas

Requirements

At least 60 days prior to the expiration date of the consumer's service contract, the supplier must provide written notice to the consumer of either:

- (a) the existence and operation of an automatic renewal provision present in the consumer's contract; or
- (b) the need for the consumer to affirmatively renew to retain service from the supplier at the end of the contract term.

If the service contract contains an automatic renewal provision, the supplier may not change the terms and conditions of the contract upon the renewal date unless the consumer has been provided with written notice of the changes at least 60 days in advance of their effective date and of his or her right to change suppliers rather than renew the contract. With the written notice of contract changes, the supplier must provide the consumer 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.

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

None stated.

Proposed bills

None

Nebraska**Code Section**

No current law

Proposed bills

None

Nevada**Code Section**

Nevada Revised Statutes Annotated 598.940 - 958

Contracts Applicable to Law

Dance Studio Contracts or Health Club Memberships only

Requirements

Any contract between a buyer and a dance studio or health club must specify the term of the membership may not include automatic renewal provisions. A buyer entering into a contract with a dance studio or health club may cancel a contract within three business days after he or she receives a copy of the contract by notifying the studio or club in writing.

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

A violation constitutes a deceptive practice.

Proposed bills

None

New Hampshire**Code Section**

RSA 358-I:5

Contracts Applicable to Law

Health Club Memberships only

Requirements

Buyers of prepaid memberships for health clubs may cancel memberships within three business days by notifying the health club in writing. Each prepaid contract shall contain in at least 10 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."

Automatic renewal is prohibited for more than one month terms and 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.

Buyers may cancel month-to-month memberships with 30 days written notice.

Definition of "Clear and Conspicuous"

See above language, which must be written 10-point boldface type and all caps in contract.

Penalty for Failure to Comply

Violations are unfair or deceptive acts or practices within RSA 358-A:2.

Proposed bills

None

New Jersey

Code Section

No current law

Proposed bills

None

New Mexico

Code Section

New Mexico Register 12.2.11

Contracts Applicable to Law

Service contracts (for service, maintenance or repair) that contain automatic renewal clauses

Requirements

If the contract contains an automatic renewal provision, then the seller must provide the consumer written notice prior to the end of the initial term of the contract or prior to the end of any renewal term:

(1) in a clear and conspicuous manner, served by certified mail or on the first page of a monthly statement at least 30 (but no more than 60) days before the last day on which the consumer may give notice of intent to terminate.

Definition of “Clear and Conspicuous”

Clear and Conspicuous means in at least 10-point type.

Penalty for Failure to Comply

Violations are considered unfair or deceptive acts or practices.

Proposed bills

Senate Bill 350, by Representative Sanchez

STATUS: 3/14/2019: Passed in the House of Representatives

[Full bill text](#)

Overview: An act that would regulate service contracts if the service contract with renewal clauses that cause the service contract to continue in effect more than two months after the end of the term of the original contract and such renewal is effective unless the holder gives notice to the provider or administrator of the holder’s intention to terminate the service contract. A provider shall not include an automatic renewal provision within a service contract unless the provider discloses the terms of the automatic renewal provision in a clear and conspicuous manner, or in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer and the consumer consents to the terms of the automatic renewal provision. A provider shall provide notice to a holder specifying, in a clear and conspicuous manner, the procedure by which the holder may cancel the service contract, and such notice shall be provided at least 30 (but not more than 60) days before the last day on which the holder may give notice of the holder’s intention to terminate the service contract. A service contract is void and a provider shall refund to the holder the purchase price of the service contract if the holder has not

made a claim under the service contract and the holder returns the service to the provider (a) within 20 days after the date the provider mails a copy of the service contract to the holder; (b) within 10 days after the purchaser receives a copy of the service contract if the provider furnishes the holder with the copy at the time the contract is purchased; or (c) within a longer period specified in the service contract.

See also similar House Bill 329, by Representative Sanchez

STATUS: Reported by committee with Do Pass recommendation with amendment(s)

[Full bill text](#)

New York

Code Section

General Obligations Law section 5-903

Contracts Applicable to Law

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

Requirements

Service contracts with automatic renewal provisions require the person furnishing the service, maintenance or repair to give the consumer written notice, served personally or by certified mail, notifying the consumer of such provision in the contract.

Definition of “Clear and Conspicuous”

Not defined.

Penalty for Failure to Comply

None stated.

Proposed bills

Senate Bill S5468 by Michael H. Ranzenhofer.

STATUS: Last recorded action on 6/20/2018: in Senate Rules Committee

[Full bill text](#)

Overview: The bill aims to restrict automatic renewal of contracts for electronic and life safety alarm services only.

North Carolina

Code Section

North Carolina General Statute Annotated Section 75-41

Contracts Applicable to Law

Sale or lease of products or services to a consumer where the contract automatically renews.

Requirements

Contract must disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer or with delivery of products or services.

Definition of “Clear and Conspicuous”

None stated.

Penalty for Failure to Comply

Seller must provide 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.

Proposed bills

None

North Dakota**Code Section**

No current law

Proposed bills

House Bill No. 1195, by Representatives Keiser, D. Ruby
STATUS: 3/14/10: Returned to House (passed in committee)

[Full bill text](#)

Overview: A person that sells or offers to sell merchandise for a specified period under an agreement containing a provision for automatic renewal shall (a) 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; (b) provide an acknowledgement 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; and (c) provide a cost-effective, timely and simple procedure for cancellation which must be described in the acknowledgement. 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 that the buyer may cancel the contract and avoid automatic renewal. An agreement for sale of merchandise in violation of this chapter is unenforceable and void and will be considered an unconditional gift to the buyer. The attorney general may enforce this chapter and a person aggrieved by a violation of this chapter may bring an action to enjoin the violation or for restitution, or both.

Ohio**Code Section**

No current law

Proposed bills

None

Oklahoma**Code Section**

No current law

Proposed bills

None

Oregon

Code Section

Oregon Revenue Statute Annotated Section 646A.295

Contracts Applicable to Law

An automatic renewal or continuous offer to a consumer.

Requirements

The seller must:

- (1) disclose the automatic renewal provision in a clear and conspicuous manner before a subscription or 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;
- (2) obtain affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms prior to charging the consumer's credit or debit card or payment account; and
- (3) must provide an acknowledgement 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 seller must also disclose in the acknowledgement how to cancel and allow the consumer to cancel before the consumer pays for the goods or services.

The seller must provide a toll-free telephone number, e-mail address, a PO address *only when the person directly bills the consumer*, or another cost-effective, timely and easy to use mechanism for cancellation that must be described to the consumer.

The seller must also 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.

Definition of "Clear and Conspicuous"

"Conspicuous," with reference to a term, means so written, displayed or presented that a reasonable person against which it is to operate ought to have noticed it. Whether a term is "conspicuous" or not is a decision for the court. Conspicuous terms include the following: (a) A **heading in capitals equal to or greater in size in than the surrounding text**, or in **contrasting type, font or color to the surrounding text** of the same or lesser size; and (b) **Language in the body of a record or display in larger type than the surrounding text**, or 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 that call attention to the language. ORS 71.2010 (2)(j)

Penalty for Failure to Comply

No penalties stated.

Proposed bills

None

Pennsylvania

Code Section

No current law

Proposed bills

None

Rhode Island

Code Section

Rhode Island General Laws Annotated Section 6-13-14

Contracts Applicable to Law

Automatic lease renewals for written leases of personal property

Requirements

Leases of personal property for more than one year with automatic renewal provisions must provide written notice to the lessee not less than 45 (but no more than 90) days prior to the expiration of the lease term. The notice shall state the date upon which the lease term will expire and shall advise the lessee that the lease will be automatically renewed unless the lessee gives written notice to the contrary.

Definition of “Clear and Conspicuous”

Not defined.

Penalty for Failure to Comply

The lease for personal property is voidable at the option of the lessee.

Proposed bills

None

South Carolina

Code Section

South Carolina Code Annotated Section 44-79-60

Contracts Applicable to Law

Written contracts for physical fitness services with automatic renewal options

Requirements

Contracts for physical fitness services may automatically renew, but for no longer than one month, and to be enforceable, the automatic renewal terms must be disclosed in bold type of at least fourteen-point font on the front page of the contract and must be initialed by the consumer. The consumer must be given the ability to opt-in to the automatic renewal provision at the time the initial contract is executed (initialing next to an opt-in provision). The facility must notify the consumer in writing near the expiration of the initial contract at the consumer’s last known address of the automatic renewal option which the consumer selected at the time the initial contract was executed. The price may not increase or decrease in an automatically renewed contract

without written notice to the consumer of at least 30 (but not more than 60) days prior to the effective date of the change in price.

The contract must also state that the cancellation of the contract voids the automatic renewal provision.

Definition of “Clear and Conspicuous”

Not defined, but automatic renewal terms require bold type of at least 14-point font on front page of contract.

Penalty for Failure to Comply

None stated.

Proposed bills

None

South Dakota

Code Section

South Dakota Codified Laws 49-31-116

Contracts Applicable to Law

Certain telecommunications contracts with automatic renewal provisions.

Requirements

Any telecommunication contract that has a term of one year or more and that automatically renews for a renewal term greater than sixty days, shall give prior written notice to the subscriber of the action that the subscriber must take to avoid automatic renewal. The telecommunications company must give notice to the subscriber of at least 30 (but no more than 60) days before the date of the required action. The notice shall inform the subscriber in clear, plain and conspicuous language what action the subscriber must take to avoid renewal and the date by which the subscriber must take such action.

Definition of “Clear and Conspicuous”

Not defined.

Penalty for Failure to Comply

If the company fails to give the notice required by this section, the automatic renewal provision may not be enforced against the subscriber, and the subscriber may terminate the contract at will following expiration of the original term without incurring any liability or penalty for early termination.

Proposed bills

None

Tennessee

Code Section

Tennessee Code Annotated Section 62-32-325

Contracts Applicable to Law

Contracts for alarm systems contractor and homeowner or renter with automatic renewal clause

Requirements

A contract between an alarm systems contractor and any homeowner or renter for the provision of alarm services may not automatically renew for a period more than one year. Further, 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.

Definition of "Clear and Conspicuous"

Not defined.

Penalty for Failure to Comply

None stated.

Proposed bills

None

Texas**Code Section**

No current law

Proposed bills

None

Utah**Code Section**

Utah Code 15-10-102

Contracts Applicable to Law

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 period if:

- (1) the renewal causes the contract to be in effect more than six months after initiation; and
- (2) the renewal is effective unless the consumer gives notice of consumer's intention to terminate.

Requirements

For service contracts that automatically renew for periods greater than 12 months, a seller shall 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 (a) personally, (b) by certified mail, or (c) prominently displayed on the first page of a monthly statement.

The written notice must be provided no later than 30 (but no more 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.

The written notice must be written in clear and understandable language; and printed in an easy-to-read type size and style.

Definition of "Clear and Conspicuous"

None stated; The contract must be written in clear and understandable language and printed in an easy-to-read type size and style.

Penalty for Failure to Comply

If a seller does not comply with this section, then (a) the automatic renewal provision is void and unconscionable as a matter of public policy; and (b) the service contract shall automatically renew on a month-to-month basis.

Proposed bills

None

Vermont

Code Section

9 V.S.A. Section 2454a, *effective July 1, 2019*

Contracts Applicable to Law

Contracts between a consumer and seller with an initial term of one year or longer for a subsequent term that is longer than one month (excluding contracts with financial institutions and credit unions and contracts for insurance, as defined by the V.S.A.).

Requirements

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

- (1) clearly and conspicuously state the terms of the automatic renewal provision in plain, unambiguous language in bold-face type;
- (2) require the consumer to affirmatively *opt in to the automatic renewal provision in addition* to accepting the contract; and
- (3) provide a written or electronic notice to the consumer who opts in not less than 30 (but no more than 60) days before the earliest of the (i) automatic renewal date; (ii) the termination date; or (iii) the date by which the consumer must provide notice to cancel the contract, that includes:
 - a. the date that 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;
 - b. the length and any additional terms of the renewal period;
 - c. the method or methods by which the consumer can cancel the contract; and
 - d. contact information for the seller.

Definition of “Clear and Conspicuous”

Clear and Conspicuous means in plain, unambiguous language in bold-face type.

Penalty for Failure to Comply

Violations of this section are an unfair and deceptive act in commerce in violation of Section 2453 of the V.S.A.

Virginia

Code Section

§ 59.1-200 Code of Virginia, Chapter 17.8

Contracts Applicable to Law

Contracts for goods and/or services with an automatic renewal or continuous service offer to a consumer.

Requirements

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

- (1) 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 upon conclusion of the trial;
- (2) Obtain 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 the consumer's account with a third party;
- (3) Provide an acknowledgement that includes the automatic renewal offer terms, cancellation policy and 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 acknowledgement how to cancel, and allow the consumer to cancel *before the consumer pays for the goods or services*;
- (4) Provide a toll-free telephone number, e-mail address, a postal address if the business directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation; and
- (5) Prior to implementation of 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, as well as information regarding how to cancel in a manner that is capable of being retained by the consumer.

Definition of "Clear and Conspicuous"

Clear and conspicuous means:

- In larger type than the surrounding text, or 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 clearly calls attention to the language.
- If it's an audio disclosure, clear and conspicuous means: in a volume and cadence sufficient to be readily audible and understandable.

Penalty for Failure to Comply

Violations are subject to the enforcement provisions of the Virginia Consumer Protection Act, though a business is not subject to civil penalties or damages if the business makes a good faith effort to comply with the statute's requirements. Businesses may be subject to civil penalties (up to \$5,000 per violation) and/or damages, as the statute provides for a private right of action from individual consumers.

Washington

Code Section

No current law

Proposed bills

Senate bill 5507 by Senators Zeiger, O'Ban, Lias, Fain, and Saldana.

STATUS: Last recorded action on 1/8/2018: Reintroduced and referred to Labor & Commerce.

[Full bill text](#)

Overview: This Act relates to the use of automatic renewal provisions in business contracts; and adding a new chapter to Title 19 RCW. Applies only to contracts for the lease of business equipment used primarily in Washington, or for providing business services, but only if the contract is for the direct benefit of the end user of the business equipment or business services (see other exclusions).

If the contract will be automatically renewed or extended unless the consumer declines renewal, and the duration of the additional period is more than one month, then the seller must:

- (1) Present a form with the required disclosures under this section; or
- (2) Include the required disclosures in a conspicuous manner and obtain the consumer's initials on the contract on a page on which disclosure appears.

The disclosure must contain all of the following:

- (a) A statement that the contract will be renewed or extended unless the consumer declines renewal or extension;
- (b) A statement indicating the duration of the additional contract period that would result from automatic renewal;
- (c) A statement indicating whether an increase in charges to the consumer will apply upon an automatic extension or renewal;
- (d) A description of action the consumer must take to decline renewal or extension; and
- (e) The date of the deadline for the consumer to decline renewal or extension.

If a seller fails to comply, then an automatic renewal or extension provision is not enforceable and the contract terminates at the end of the current contract term.

West Virginia

Code Section

No current law

Proposed bills

None

Wisconsin

Code Section

Wisconsin Statute §134.49

Contracts Applicable to Law

Business contracts for leases of business equipment, if any of the business equipment is used primarily in Wisconsin, or for providing business services, but only if the contract is for the direct benefit of the end user of the business equipment or business services. §134.49(1)(a).

Requirements

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

- (1) At the time the consumer enters into the contract, present to the consumer a copy of a form including the disclosures required under par. (b) and obtain the consumer's signature on the form.
- (2) Include the disclosures required under par. (b) in the contract in a *conspicuous* manner and obtain the consumer's initials on the contract on a page on which a disclosure appears.

A disclosure required shall contain all of the following:

- (a) a statement that the contract will be renewed or extended unless the consumer declines renewal or extension;
- (b) a statement indicating the duration of the additional contract period that would result from an automatic renewal or extension period;
- (c) a statement indicating whether an increase in charges to the consumer will apply upon an automatic renewal or extension;
- (d) description of action the consumer must take to decline renewal or extension; and
- (e) the date of the deadline for the consumer to decline renewal or extension. §134.49(2)(b)

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 consumer written notice at least 15 (but no more than 60) days before the deadline for the consumer to decline renewal or extension, containing all of the following:

- (i) a statement that the contract will be renewed or extended unless the consumer declines renewal or extension.
- (ii) the deadline for the consumer to decline renewal or extension.
- (iii) a description of any increase in charges to the consumer that will apply after renewal or extension.
- (iv) a description of action that the consumer must take to decline extension or renewal. §134.49(3)

The manner of notice required:

- (a) By mailing a copy of the notice by regular U.S. mail to the consumer at the consumer's last-known business address, unless the contract requires the consumer to notify the seller by certified mail of the consumer's intent to cancel.
- (u) By mailing a copy of the notice by registered or certified mail to the consumer at the consumer's last-known business address.
- (v) By giving a copy of the notice personally to an owner, officer, director, or managing agent of the consumer's business.
- (w) By including the notice on the first page of a monthly invoice sent to the consumer. Notice under this paragraph shall be prominently displayed in bold face type and in a type size no smaller than 12-point.
- (x) By sending a facsimile to the consumer to the consumer's last-known facsimile number, if the contract permits the consumer to use this method to notify the seller that the consumer declines renewal or extension of the contract.

(y) By sending an electronic mail message to the consumer at the consumer's last-known electronic mail address, if the contract permits the consumer to use this method to notify the seller that the consumer declines renewal or extension of the contract.

(z) By sending the notice via a recognized overnight courier service, if the contract permits the consumer to use this method to notify the seller that the consumer declines renewal or extension of the contract. §134.49(4)

Definition of “Clear and Conspicuous”

“Conspicuous” means so written, displayed, or presented that a reasonable person against which it is to operate ought to have noticed it. Whether a term is “conspicuous” or not is a decision for the court. Conspicuous terms include any of the following:

- A heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; or
- A heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size. §401.201(2)(f)

Penalty for Failure to Comply

Damages and attorneys’ fees §134.49(6)

Proposed bills

None

Wyoming

Code Section

No current law

Proposed bills

None