

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 766
101ST GENERAL ASSEMBLY

1431H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 407, RSMo, by adding thereto one new section relating to automatically renewed transactions, with a delayed effective date.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 407, RSMo, is amended by adding thereto one new section, to be
2 known as section 407.205, to read as follows:

**407.205. 1. It shall be unlawful for any business that makes an automatic renewal
2 offer or continuous service offer to a consumer in this state to:**

3 **(1) Fail to present the automatic renewal offer terms or continuous service offer**
4 **terms in a clear and conspicuous manner before the subscription or purchasing agreement**
5 **is fulfilled and in visual proximity, or temporal proximity if the offer is conveyed by voice,**
6 **to the request for consent to the offer. If the offer also includes a gift or free trial, the offer**
7 **shall include a clear and conspicuous explanation of the price that shall be charged after**
8 **the trial ends or the manner in which the subscription or purchasing agreement pricing**
9 **shall change upon conclusion of the trial;**

10 **(2) Charge a consumer's credit card, debit card, or account with a third party for**
11 **an automatic renewal or continuous service without first obtaining the consumer's**
12 **affirmative consent to the agreement containing the automatic renewal offer terms or**
13 **continuous service offer terms, including the terms of an automatic renewal offer or**
14 **continuous service offer that is made at a promotional or discounted price for a limited**
15 **period of time; or**

16 **(3) Fail to provide an acknowledgment that includes the automatic renewal offer**
17 **terms or continuous service offer terms, cancellation policy, and information regarding**
18 **how to cancel in a manner that the consumer is able to retain. If the automatic renewal**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 offer or continuous service offer includes a gift or free trial, the business shall also disclose
20 in the acknowledgment how to cancel, and allow the consumer to cancel, the automatic
21 renewal or continuous service before the consumer pays for the goods or services.

22 2. A business that makes an automatic renewal offer or continuous service offer
23 shall provide at least one of the following:

- 24 (1) A toll free telephone number;
25 (2) An email address;
26 (3) A postal address if the seller directly bills the consumer; or
27 (4) Other cost-effective, timely, and easy-to-use mechanism for cancellation.
28

29 The business shall clearly and conspicuously display such contact mechanism in the
30 acknowledgment, subscription, and purchasing agreement described under this section.

31 3. A consumer who accepts an automatic renewal or continuous service offer shall
32 be allowed to terminate the automatic renewal or continuous service through any of the
33 cancellation mechanisms described under subsection 2 of this section, which may include
34 a termination email formatted and provided by the business that a consumer may send to
35 the business without additional information.

36 4. In the case of a material change in the terms of the automatic renewal or
37 continuous service accepted by a consumer in this state, the business shall provide the
38 consumer with a clear and conspicuous written notice of the material change and shall
39 provide information regarding how to cancel in a manner that the consumer is able to
40 retain.

41 5. The requirements of this section shall apply only prior to the completion of the
42 initial order for the automatic renewal or continuous service, except:

43 (1) The requirement in subdivision (3) of subsection 1 of this section may be
44 fulfilled after completion of the initial order; and

45 (2) The requirement in subsection 4 of this section shall be fulfilled prior to
46 implementation of the material change.

47 6. The attorney general shall have all powers, rights, and duties regarding violations
48 of this section as are provided in sections 407.010 to 407.130, in addition to rulemaking
49 authority under section 407.145.

Section B. The enactment of section 407.205 of this act shall become effective on July
2 1, 2022.

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