

HOUSE BILL NO. 3512

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WOODS.

7018H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 407, RSMo, by adding thereto one new section relating to automatically renewed transactions.

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 known as section 407.205, to read as follows:

407.205. 1. As used in this section, the following terms mean:

- (1) "Automatic renewal", a plan, arrangement, or provision of a contract that contains a free-to-pay conversion or in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term;
- (2) "Automatic renewal offer terms" or "continuous service offer terms", the following clear and conspicuous disclosures:
- (a) That the subscription or purchasing agreement shall continue until the consumer cancels;
 - (b) The description of the cancellation policy that applies to the offer;
 - (c) The recurring charges that shall be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and the amount to which the charge shall change, if known;
 - (d) 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
 - (e) The minimum purchase obligation, if any;

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.

17 (3) "Clear and conspicuous", a larger type than the surrounding text; in
18 contrasting type, font, or color to the surrounding text of the same size; or set off from
19 the surrounding text of the same size by symbols or other marks, in a manner that
20 clearly calls attention to the language;

21 (4) "Consumer", any individual who seeks or acquires, by purchase or lease, any
22 goods, services, moneys, or credit for personal, family, or household purposes;

23 (5) "Continuous service", a plan, arrangement, or provision of a contract that
24 contains a free-to-pay conversion or in which a paid subscription or purchasing
25 agreement continues until the consumer cancels the service;

26 (6) "Free-to-pay conversion", a provision in an offer or agreement to sell or
27 provide any goods or services under which a customer receives a product or service for
28 free for an initial period and incurs an obligation to pay for the product or service if
29 they do not take affirmative action to cancel before the end of that period.

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

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

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

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

52 (4) Fail to obtain the consumer's express affirmative consent to the automatic
53 renewal or continuous service offer terms; or

54 **(5) Misrepresent, expressly or by implication, any material fact related to the**
55 **transaction including, but not limited to, the inclusion of an automatic renewal or**
56 **continuous service, or any material fact related to the underlying good or service.**

57 **3. A business that makes an automatic renewal offer or continuous service offer**
58 **shall provide at least one of the following:**

59 **(1) A toll-free telephone number;**

60 **(2) An email address;**

61 **(3) A postal address if the seller directly bills the consumer; or**

62 **(4) Other cost-effective, timely, and easy-to-use mechanism for cancellation.**

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

66 **4. A consumer who accepts an automatic renewal or continuous service offer**
67 **shall be allowed to terminate the automatic renewal or continuous service through any**
68 **of the cancellation mechanisms described under subsection 3 of this section, which shall**
69 **include a termination email formatted and provided by the business that a consumer**
70 **may send to the business without additional information.**

71 **5. For purposes of subsections 3 and 4, providing a discount offer or other**
72 **consumer benefit or informing a consumer of the effect of the cancellation shall not be**
73 **considered an obstruction or delay, provided that the consumer remains able to cancel**
74 **or terminate the automatic renewal or continuous service, as follows:**

75 **(1) If a consumer conveys a request to cancel by telephone, the business may**
76 **present the consumer with a discounted offer, retention benefit, or information**
77 **regarding the effect of cancellation, provided that the business first clearly and**
78 **conspicuously informs the consumer that they may complete the cancellation process at**
79 **any time by stating that they want to cancel or words to that effect. If the consumer**
80 **states their intention to cancel or words to that effect, the business shall promptly**
81 **process the cancellation and shall not otherwise obstruct or delay the consumer's ability**
82 **to cancel; or**

83 **(2) If a consumer conveys a request to cancel by an online system, the business**
84 **may display a discounted offer, retention benefit, or information regarding the effects of**
85 **cancellation, provided that the business simultaneously displays a prominently located**
86 **and continuously and proximately displayed direct link or button entitled "click to**
87 **cancel" or words to that effect, with the presentation of the discounted offer, other**
88 **consumer benefit, or information. If the consumer utilizes this direct link or button, the**
89 **business shall promptly process the cancellation and shall not otherwise obstruct or**
90 **delay the consumer's ability to proceed to cancellation.**

91 **6. The ability to cancel or terminate an automatic renewal or continuous service**
92 **under subsections 3 and 4 shall be available to the consumer in the same medium that**
93 **the consumer used in the transaction that resulted in the activation of the automatic**
94 **renewal or continuous service, or the same medium in which the consumer is**
95 **accustomed to interacting with the business including, but not limited to, in person, by**
96 **telephone, by mail, or by email. If the activation was by telephone, a telephone number**
97 **that is capable of being retained by the consumer shall be available to the consumer to**
98 **cancel or terminate the automatic renewal or continuous service. The telephone**
99 **number shall be clearly and conspicuously displayed on the company's website, if**
100 **applicable.**

101 **7. In the case of a material change in the terms of the automatic renewal or**
102 **continuous service accepted by a consumer in this state, the business shall provide the**
103 **consumer with a clear and conspicuous written notice of the material change and shall**
104 **provide information regarding how to cancel in a manner that the consumer is able to**
105 **retain.**

106 **8. The requirements of this section shall apply only prior to the completion of the**
107 **initial order for the automatic renewal or continuous service, except:**

108 **(1) The requirement in subdivision (3) of subsection 2 of this section may be**
109 **fulfilled after completion of the initial order; and**

110 **(2) The requirement in subsection 7 of this section shall be fulfilled prior to**
111 **implementation of the material change.**

112 **9. (1) The attorney general may commence a civil action in a court of competent**
113 **jurisdiction against any business that violates this section or that commits a deceptive**
114 **act or practice by failing to provide a simple mechanism for a consumer to cancel the**
115 **automatic renewal of the subscription or purchasing agreement. In such an action, the**
116 **business shall be liable for any damages and associated court costs and attorney's fees as**
117 **determined by the court.**

118 **(2) The attorney general shall have all powers, rights, and duties regarding**
119 **violations of this section as are provided in sections 407.010 to 407.130, in addition to**
120 **rulemaking authority under section 407.145.**

121 **10. The provisions of this section shall apply to a contract entered into, amended,**
122 **or extended on or after August 28, 2026.**

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