

FIRST REGULAR SESSION

HOUSE BILL NO. 1246

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCCREERY.

2465H.011

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 known as section 407.205, to read as follows:

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

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

(2) Charge a consumer's credit card, debit card, or 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, including the terms of an automatic renewal offer or continuous service offer that is made at a promotional or discounted price for a limited period of time; or

(3) Fail to provide an acknowledgment that includes the automatic renewal offer terms or continuous service offer terms, cancellation policy, and information regarding

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.

18 **how to cancel in a manner that the consumer is able to retain. If the automatic renewal**
19 **offer or continuous service offer includes a free gift or 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 a toll-free telephone number and at least one of the following:**

24 **(1) An email address;**

25 **(2) A postal address if the seller directly bills the consumer; or**

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

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28 **The business shall state such phone number and other contact mechanism in the**
29 **acknowledgment described under subdivision (3) of subsection 1 of this section.**

30 **3. A consumer who accepts an automatic renewal or continuous service offer online**
31 **shall be allowed to terminate the automatic renewal or continuous service exclusively**
32 **online, which may include a termination email formatted and provided by the business that**
33 **a consumer may send to the business without additional information.**

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

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

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

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

Section B. The enactment of section 407.205 of this act shall become effective on July
2 1, 2020.

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