

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Automatic Contract Renewal Act is amended by changing Sections 5, 10, and 20 as follows:

(815 ILCS 601/5)

Sec. 5. Definitions. In this Act:

"Automatic renewal offer terms" means the following clear and conspicuous disclosures:

(1) that the paid subscription or purchasing agreement will continue until the consumer cancels;

(2) the timeframe in which the consumer must cancel in order to avoid being charged for a subsequent term;

(3) the recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal contract, and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;

(4) 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

(5) the minimum purchase obligation, if any.

"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. In the case of an audio disclosure, "clear and conspicuous" means in a volume and cadence sufficient to be readily audible and understandable.

"Contract" means a written agreement between 2 or more parties.

"Parties" includes individuals and other legal entities, but does not include the federal government, this State or another state, or a unit of local government.

(Source: P.A. 101-412, eff. 8-16-19; 102-558, eff. 8-20-21.)

(815 ILCS 601/10)

Sec. 10. Automatic renewal; requirements.

(a) Any person, firm, partnership, association, or corporation that sells or offers to sell any products or services to a consumer pursuant to a contract, where such contract automatically renews unless the consumer cancels the contract, shall:

(i) disclose the automatic renewal ~~offer terms~~ ~~clause~~ clearly and conspicuously in the contract before the 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; ~~including the cancellation procedure.~~

(ii) not charge the consumer's credit or debit card or other payment mechanism for an automatic renewal service without first obtaining the consumer's consent to the contract containing the automatic renewal offer terms;

(iii) provide an acknowledgment that includes the automatic renewal offer terms, cancellation policy, and information regarding how to cancel, which may be accomplished by linking to a resource that provides instructions that account for different platforms and services, in a manner that is capable of being retained by the consumer; and

(iv) if the offer includes a free gift or trial, disclose how to cancel the contract, which may be accomplished by linking to a resource that provides instructions that account for different platforms and services, and allow the consumer to cancel before the consumer pays for the good or services.

(b) Any person, firm, partnership, association, or corporation that sells or offers to sell any products or services to a consumer pursuant to a contract, where such contract term is a specified term of 12 months or more, and where such contract automatically renews for a specified term of more than one month unless the consumer cancels the contract, shall notify the consumer in writing of the

automatic renewal. Written notice shall be provided to the consumer no less than 30 days and no more than 60 days before the cancellation deadline pursuant to the automatic renewal offer terms ~~clause~~. Such written notice shall disclose clearly and conspicuously, in a retainable form:

(i) that unless the consumer cancels the contract it will automatically renew; ~~and~~

(ii) a mechanism for cancelling the contract, which shall be offered in a manner in which the consumer commonly interacts with the business; and ~~where the consumer can obtain details of the automatic renewal provision and cancellation procedure (for example, by contacting the business at a specified telephone number or address or by referring to the contract).~~

(iii) the deadline by which the consumer must cancel in order to avoid being charged for a subsequent term.

(b-5) A person, firm, partnership, association, or corporation that makes an automatic renewal offer or continuous service offer online shall provide a toll-free telephone number, electronic mail address, a postal address if the seller directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation that shall be described in the notice required in subsection (b). A consumer who accepts an automatic renewal or continuous service offer online must be allowed to terminate the automatic renewal or continuous service exclusively

online, which may include a termination email formatted and provided by the business that a consumer can send to the business without additional information, or a link to a website or other online service consumers can use to cancel.

(c) A person, firm, partnership, association, or corporation will not be liable for a violation of this Act or the Consumer Fraud and Deceptive Business Practices Act if such person, firm, partnership, association, or corporation demonstrates that, as part of its routine business practice:

(i) it has established and implemented written procedures to comply with this Act and enforces compliance with the procedures;

(ii) any failure to comply with this Act is the result of error; and

(iii) where an error has caused a failure to comply with this Act, it provides 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 account, or the date of the subsequent notice of renewal, whichever occurs first.

(Source: P.A. 102-517, eff. 1-1-22.)

(815 ILCS 601/20)

Sec. 20. Applicability.

(a) This Act does not apply to a contract entered into before the effective date of this Act.

(b) This amendatory Act of the 93rd General Assembly does not apply to a contract entered into before the effective date of this amendatory Act of the 93rd General Assembly.

(c) This Act does not apply to business-to-business contracts.

(d) This Act does not apply to banks, trust companies, savings and loan associations, savings banks, or credit unions licensed or organized under the laws of any state or the United States, or any foreign bank maintaining a branch or agency licensed or organized under the laws of any state of the United States, or any subsidiary or affiliate thereof.

(e) This Act does not apply to a contract that is extended beyond the original term of the contract as the result of the consumer's initiation of a change in the original contract terms.

(f) This Act does not apply to a contract for the sale of any product or service by a provider that is subject to Article XXII of the Public Utilities Act.

(g) This Act does not apply to a party, or an affiliate of the party, regulated by the Director of the Department of Insurance.

(Source: P.A. 93-950, eff. 1-1-05.)