

1 AN ACT concerning business.

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

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

6 (815 ILCS 601/5)

7 Sec. 5. Definitions. In this Act:

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

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

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

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

20 (4) the length of the automatic renewal term or that
21 the service is continuous, unless the length of the term
22 is chosen by the consumer; and

23 (5) the minimum purchase obligation, if any.

1 "Clear and conspicuous" means in larger type than the
2 surrounding text, or in contrasting type, font, or color to
3 the surrounding text of the same size, or set off from the
4 surrounding text of the same size by symbols or other marks, in
5 a manner that clearly calls attention to the language. In the
6 case of an audio disclosure, "clear and conspicuous" means in
7 a volume and cadence sufficient to be readily audible and
8 understandable.

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

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

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

15 (815 ILCS 601/10)

16 Sec. 10. Automatic renewal; requirements.

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

22 (i) disclose the automatic renewal offer terms ~~clause~~
23 clearly and conspicuously in the contract before the
24 subscription or purchasing agreement is fulfilled and in
25 visual proximity, or in the case of an offer conveyed by

1 voice, in temporal proximity, to the request for consent
2 to the offer; ~~including the cancellation procedure.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (iii) where an error has caused a failure to comply
16 with this Act, it provides a full refund or credit for all
17 amounts billed to or paid by the consumer from the date of
18 the renewal until the date of the termination of the
19 account, or the date of the subsequent notice of renewal,
20 whichever occurs first.

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

22 (815 ILCS 601/20)

23 Sec. 20. Applicability.

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

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

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

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

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

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

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

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