

SB2764



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2764

Introduced 1/16/2024, by Sen. Doris Turner

SYNOPSIS AS INTRODUCED:

815 ILCS 601/10

Amends the Automatic Contract Renewal Act. Provides that any person, firm, partnership, association, or corporation that sells or offers to sell any products or services to a consumer pursuant to a contract that includes a free gift or a trial period of the product or service that lasts 15 days or longer, where such contract automatically renews unless the consumer cancels the contract, shall notify the consumer no less than 2 weeks before the cancellation deadline as described by the automatic renewal offer terms. Provides that if the person, firm, partnership, association, or corporation has the consumer's email address, this notice shall be sent by email.

LRB103 36659 SPS 66768 b

A BILL FOR

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 Section 10 as follows:

6 (815 ILCS 601/10)

7 Sec. 10. Automatic renewal; requirements.

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

13 (i) disclose the automatic renewal offer terms clearly
14 and conspicuously in the contract before the subscription
15 or purchasing agreement is fulfilled and in visual
16 proximity, or in the case of an offer conveyed by voice, in
17 temporal proximity, to the request for consent to the
18 offer;

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

23 (iii) provide an acknowledgment that includes the

1 automatic renewal offer terms, cancellation policy, and
2 information regarding how to cancel, which may be
3 accomplished by linking to a resource that provides
4 instructions that account for different platforms and
5 services, in a manner that is capable of being retained by
6 the consumer; and

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

13 (a-5) Any person, firm, partnership, association, or
14 corporation that sells or offers to sell any products or
15 services to a consumer pursuant to a contract that includes a
16 free gift or a trial period of the product or service that
17 lasts 15 days or longer, where such contract automatically
18 renews unless the consumer cancels the contract, shall notify
19 the consumer no less than 2 weeks before the cancellation
20 deadline as described by the automatic renewal offer terms. If
21 the person, firm, partnership, association, or corporation has
22 the consumer's email address, this notice shall be sent by
23 email.

24 (b) Any person, firm, partnership, association, or
25 corporation that sells or offers to sell any products or
26 services to a consumer pursuant to a contract, where such

1 contract term is a specified term of 12 months or more, and
2 where such contract automatically renews for a specified term
3 of more than one month unless the consumer cancels the
4 contract, shall notify the consumer in writing of the
5 automatic renewal. Written notice shall be provided to the
6 consumer no less than 30 days and no more than 60 days before
7 the cancellation deadline pursuant to the automatic renewal
8 offer terms. Such written notice shall disclose clearly and
9 conspicuously, in a retainable form:

10 (i) that unless the consumer cancels the contract it
11 will automatically renew;

12 (ii) a mechanism for cancelling the contract, which
13 shall be offered in a manner in which the consumer
14 commonly interacts with the business; and

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; 103-70, eff. 1-1-24.)