

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1820

5 By: Representative M. Brown
6 By: Senator M. McKee
7

For An Act To Be Entitled

8 AN ACT TO REGULATE AUTOMATIC RENEWAL AND CONTINUOUS
9 SERVICE OFFERS; AND FOR OTHER PURPOSES.
10

Subtitle

11 TO REGULATE AUTOMATIC RENEWAL AND
12 CONTINUOUS SERVICE OFFERS.
13

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
15

16 SECTION 1. Arkansas Code Title 4, Chapter 86, Subchapter 1, is amended
17 to add an additional section to read as follows:
18

19 4-86-112. Automatic renewal and continuous service offers.

20 (a) As used in this section:

21 (1) "Automatic renewal" means a plan, an arrangement, or a
22 provision of a contract that contains a free-to-pay conversion or in which a
23 paid subscription or purchasing agreement is automatically renewed at the end
24 of a definite term for a subsequent term;
25

26 (2)(A) "Clear and conspicuous" means language that is in larger
27 type than the surrounding text, or in contrasting type, font, or color to the
28 surrounding text of the same size, or set off from the surrounding text of
29 the same size by symbols or other marks, in a manner that clearly calls
30 attention to the language.
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32 (B) In the case of an audio disclosure, "clear and
33 conspicuous" means language at a volume and in a cadence sufficient to be
34 readily audible and understandable;
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36 (3) "Consumer" means an individual located in this state who
seeks or acquires, by purchase or lease, goods, services, money, or credit



1 for personal, family, or household purposes;

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

6 (5) "Free-to-pay conversion" means, in an offer or agreement to
7 sell or provide goods or services, a provision under which a customer
8 receives goods or a service for free for an initial period and will incur an
9 obligation to pay for the goods or service if the customer does not take
10 affirmative action to cancel the goods or service before the end of the
11 specified period; and

12 (6) "Offer terms" means the following clear and conspicuous
13 disclosures:

14 (A) That the subscription or purchasing agreement will
15 continue until the consumer cancels the subscription or purchasing agreement;

16 (B) The description of the cancellation policy that
17 applies to the offer;

18 (C) The recurring charges that will be charged to the
19 consumer's credit or debit card or payment account with a third party as part
20 of the automatic renewal plan or arrangement, and that the amount of the
21 charge may change, and if that is the case, include the amount to which the
22 charge will change, if known;

23 (D) The length of the term of the automatic renewal or
24 continuous service, unless the length of the term is chosen by the consumer;
25 and

26 (E) The minimum purchase obligation, if any.

27 (b) A business shall not provide offer terms to a consumer that:

28 (1)(A) Fail to present the offer terms in a clear and
29 conspicuous manner before the subscription or purchasing agreement is
30 fulfilled and in visual proximity, or, in the case of an offer conveyed
31 verbally, in temporal proximity, to the request for consent to the offer.

32 (B) If the offer includes a free gift or trial, the offer
33 shall include a clear and conspicuous explanation of the price that will be
34 charged after the trial ends or the manner in which the subscription or
35 purchasing agreement pricing will change upon conclusion of the trial;

36 (2) Charge the consumer's credit or debit card, or the

1 consumer's account with a third party for an automatic renewal or continuous
2 service without first obtaining the consumer's consent to the agreement
3 containing the offer terms, including the offer terms that are made at a
4 promotional or discounted price for a limited period of time;

5 (3)(A) Fail to provide an acknowledgment that includes the offer
6 terms, cancellation policy, and information regarding how to cancel the
7 policy in a manner that is capable of being retained by the consumer.

8 (B) If the offer terms include a free gift or trial, the
9 business shall disclose in the acknowledgment how to cancel the free gift or
10 trial and allow the consumer to cancel the automatic renewal or continuous
11 service before the consumer pays for the goods or services;

12 (4) Fail to obtain the consumer's express consent to the offer
13 terms;

14 (5) Include any information in the contract that interferes
15 with, detracts from, contradicts, or otherwise undermines the ability of a
16 consumer to provide the consumer's consent to the automatic renewal or
17 continuous service;

18 (6) Fail to maintain verification of the consumer's consent for
19 at least three (3) years, or one (1) year after the contract is terminated,
20 whichever period is longer;

21 (7) Misrepresent, expressly or by implication, any material fact
22 related to the transaction, including without limitation:

23 (A) The inclusion of an automatic renewal or continuous
24 service; or

25 (B) Any material fact related to the underlying goods or
26 service; and

27 (8) Fail to provide a consumer with a notice, before confirming
28 the consumer's billing information and as may be required by subsection (c)
29 of this section, that clearly and conspicuously states:

30 (A) That the automatic renewal or continuous service will
31 automatically renew unless the consumer cancels the automatic renewal or
32 continuous service;

33 (B) The length and any additional terms of the renewal
34 period;

35 (C) The amount or range of costs the consumer will be
36 charged and, if applicable, the frequency of those charges a consumer will

1 incur unless the consumer takes timely steps to prevent or stop those
2 charges;

3 (D) One (1) or more methods by which a consumer can cancel
4 the automatic renewal or continuous service;

5 (E) If the notice required by this subdivision (b)(8) is
6 sent electronically, the notice shall include:

7 (i) A link that directs the consumer to the
8 cancellation process; or

9 (ii) Another reasonably accessible electronic method
10 that directs the consumer to the cancellation process if a link is not
11 available; and

12 (F) Contact information for the business.

13 (c)(1) Except as required under subdivision (c)(2) of this section, a
14 business shall provide a consumer with the notice required under subdivision
15 (b)(8) of this section if either of the following occurred:

16 (A)(i) The consumer accepted a free gift or trial, lasting
17 for more than thirty-one (31) days, that was included in an automatic renewal
18 offer or continuous service offer or the consumer accepted an automatic
19 renewal offer or continuous service offer at a promotional or discounted
20 price, and the applicability of that price was more than thirty-one (31)
21 days.

22 (ii)(a) The notice required under subdivision (b)(8)
23 of this section shall be provided at least three (3) days before and at most
24 twenty-one (21) days before the expiration of the predetermined period of
25 time for which the free gift or trial or promotional or discounted price,
26 applies.

27 (b) As used in subdivision (c)(1)(A)(ii)
28 of this section, "free gift" does not include a free promotional item or gift
29 given by the business that differs from the subscription.

30 (iii) This subdivision (c)(1)(A)(ii) does not apply
31 to an offer if the consumer does not enter into the contract electronically
32 and the business has not collected or maintained the consumer's valid email
33 address, telephone number, or other means of notifying the consumer
34 electronically; or

35 (B)(i) The consumer accepted offer terms with an initial
36 term of one (1) year or longer, that automatically renews unless the consumer

1 cancels the automatic renewal or continuous service.

2 (ii) The notice required under subdivision (b)(8) of
3 this section shall be provided at least fifteen (15) days and not more than
4 forty-five (45) days before the automatic renewal offer or continuous service
5 offer renews.

6 (2) If offer terms requires a notice be provided under both
7 subdivision (c)(1)(A) or subdivision (c)(1)(B) of this section, then only the
8 notice required to be provided under subdivision (c)(2) of this section shall
9 be required.

10 (d)(1) A business that makes an automatic renewal offer or continuous
11 service offer shall provide a toll-free telephone number, an email address, a
12 postal address, if the seller directly bills the consumer, or it shall
13 provide another cost-effective, timely, and easy-to-use mechanism for
14 cancellation that shall be described in the acknowledgment specified under
15 subdivision (b)(3) of this section.

16 (2)(A) Except as provided under subdivision (d)(2)(B) of this
17 section, if a business provides a mechanism for cancellation by toll-free
18 telephone number, the business:

19 (i) Shall answer calls promptly during normal
20 business hours; and

21 (ii) Shall not obstruct or delay the consumer's
22 ability to cancel the automatic renewal or continuous service.

23 (B) If a consumer leaves a voicemail with a business
24 requesting cancellation, the business shall, within one (1) business day,
25 process the requested cancellation or call the consumer back regarding the
26 cancellation request.

27 (e)(1) In addition to the requirements of subsection (c) of this
28 section, a business that allows a consumer to accept an automatic renewal
29 offer or continuous service offer online shall allow a consumer to terminate
30 the automatic renewal or continuous service exclusively online, at will, and
31 without engaging any further steps that obstruct or delay the consumer's
32 ability to terminate immediately the automatic renewal or continuous service.

33 (2) The business shall provide a method of termination that is
34 online in the form of:

35 (A) A prominently located direct link or button that may
36 be located within either a customer account or profile, or within either

1 device or user settings; or

2 (B) By an immediately accessible termination email
3 formatted and provided by the business that a consumer can send to the
4 business without additional information.

5 (3) The termination requirements of this subsection shall apply
6 to the offer terms of the contract and the remaining provisions of the
7 contract that continue to be governed by all applicable laws and rules.

8 (4)(A) Notwithstanding subdivision (d)(1) of this section, a
9 business may require a consumer to enter account information or otherwise
10 authenticate his or her identity online before termination of the automatic
11 renewal or continuous service online if the consumer has an account with the
12 business.

13 (B) A consumer who is unwilling or unable to enter account
14 information or otherwise authenticate his or her identity online before
15 termination of the automatic renewal or continuous service online under
16 subdivision (e)(4)(A) of this section shall not be precluded from
17 authenticating or terminating the automatic renewal or continuous service
18 offline using another method under subsection (d) of this section.

19 (f) Under subsections (d) and (e) of this section, a business that
20 provides a discount offer or other consumer benefit or informs a consumer of
21 the effect of the cancellation shall not be considered to be an obstruction
22 or delay, if the consumer remains able to cancel the automatic renewal or
23 continuous service, as follows:

24 (1)(A) If the consumer requests to cancel by telephone, the
25 business may present the consumer with a discounted offer, retention benefit,
26 or information regarding the effect of cancellation, if the business first
27 clearly and conspicuously informs the consumer that the consumer may complete
28 the cancellation process at any time by stating that the consumer wants to
29 "cancel" or words to that effect.

30 (B) If the consumer states the consumer's intention to
31 "cancel" or words to that effect, the business shall promptly process the
32 cancellation and shall not otherwise obstruct or delay the consumer's ability
33 to cancel the automatic renewal or continuous service; and

34 (2)(A) If a consumer conveys a request to cancel using an online
35 system, the business may display a discounted offer, retention benefit, or
36 information regarding the effects of cancellation, provided that the business

1 simultaneously displays a prominently located and continuously and
2 proximately displayed direct link or button entitled "click to cancel", or
3 words to that effect, with the presentation of the discounted offer, other
4 consumer benefit, or information.

5 (B) If the consumer utilizes the direct link or button
6 under subdivision (f)(2)(A) of this section, the business shall promptly
7 process the cancellation and shall not otherwise obstruct or delay the
8 consumer's ability to proceed to cancellation.

9 (g)(1) The ability to cancel the automatic renewal or continuous
10 service under subsection (d) or subsection (e) of this section shall be
11 available to a consumer in the same medium that the consumer used in the
12 transaction that resulted in the activation of the automatic renewal or
13 continuous service, or the same medium in which the consumer is accustomed to
14 interacting with the business, including without limitation in person, by
15 telephone, by mail, or by email.

16 (2)(A) If the activation of the automatic renewal or continuous
17 service was by telephone, a telephone number that is capable of being
18 retained by the consumer shall be available to the consumer to cancel the
19 automatic renewal or continuous service.

20 (B) The telephone number under subdivision (g)(2)(A) of
21 this section shall be clearly and conspicuously displayed on the business's
22 website, if applicable.

23 (h)(1) If there is a material change in the terms of the automatic
24 renewal or continuous service that has been accepted by a consumer in this
25 state, the business shall provide:

26 (A) The consumer with a clear and conspicuous notice of
27 the material change; and

28 (B) Information regarding how to cancel in a manner that
29 is capable of being retained by the consumer.

30 (2) If there is a change in the fee charged under existing offer
31 terms that has been accepted by a consumer in this state, including changes
32 the consumer affirmatively consented to in an existing plan or arrangement,
33 the business shall provide, no less than seven (7) days and no more than
34 thirty (30) days before the fee change takes effect, the consumer with:

35 (A) A clear and conspicuous notice of the fee change; and

36 (B) Information regarding how to cancel in a manner that

1 is capable of being retained by the consumer.

2 (i)(1)(A) A business shall send an annual reminder to a consumer under
3 an annual automatic renewal agreement or continuous service agreement with
4 the business in the same medium that resulted in the activation of the
5 automatic renewal or continuous service, or the same medium in which the
6 customer is accustomed to interacting with the business, including without
7 limitation, by telephone, mail, or email.

8 (B) For original in-person or voice-based transactions,
9 the business shall send the reminder required under subdivision (i)(1)(A) of
10 this section by telephone, mail, or any internet-based communication.

11 (2) The reminder sent under subdivision (i)(1)(A) of this
12 section shall disclose:

13 (A) The product or service to which the automatic renewal
14 or continuous service applies;

15 (B) The frequency and amount of charges associated with
16 the automatic renewal or continuous service; and

17 (C) The means to cancel the automatic renewal or
18 continuous service.

19 (j)(1) Except as provided under subdivision (j)(2) of this section,
20 the requirements of this section shall apply only before the completion of
21 the initial order for the automatic renewal or continuous service.

22 (2) The requirements in:

23 (A) Subdivisions (b)(3) and (b)(8) of this section may be
24 fulfilled after completion of the initial order;

25 (B) Subsection (c) of this section may be fulfilled after
26 completion of the initial order;

27 (C) Subsection (h) of this section shall be fulfilled
28 prior to implementation of the material change or fee change; and

29 (D) Subsection (i) shall be fulfilled annually.

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