



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3447

Introduced 1/18/2022, by Sen. Suzy Glowiak Hilton

SYNOPSIS AS INTRODUCED:

815 ILCS 601/5
815 ILCS 601/10

Amends the Automatic Contract Renewal Act. Provides that the clear and conspicuous disclosure of an automatic renewal clause displayed during the contract formation process must require the consumer to affirmatively consent to the renewal terms. Provides for additional notice requirements concerning contracts that automatically renew for a specified term of more than one month unless the consumer cancels the contract. Provides for additional notice requirements concerning contracts that allow the consumer to accept a free gift or trial as part of an automatic renewal offer before the consumer makes any payment, or where such contract entitles the consumer to an introductory reduced, promotional, or discounted rate before the customer begins paying the full rate. Provides that a person, firm, partnership, association, or corporation that allows consumers to accept an automatic renewal or continuous service offer online shall allow a consumer to terminate the automatic renewal or continuous service exclusively online, at will, and without engaging any further steps that obstruct or delay the consumer's ability to terminate the automatic renewal or continuous service immediately. Defines "clear and conspicuous".

LRB102 23488 SPS 32664 b

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 and 10 as follows:

6 (815 ILCS 601/5)

7 Sec. 5. Definitions. In this Act:

8 "Clear and conspicuous" means in larger type than the
9 surrounding text, or in contrasting type, font, or color to
10 the surrounding text of the same size, or set off from the
11 surrounding text of the same size by symbols or other marks, in
12 a manner that clearly calls attention to the language. In the
13 case of an audio disclosure, "clear and conspicuous" means in
14 a volume and cadence sufficient to be readily audible and
15 understandable.

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

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

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

22 (815 ILCS 601/10)

1 Sec. 10. Automatic renewal; requirements.

2 (a) Any person, firm, partnership, association, or
3 corporation that sells or offers to sell any products or
4 services to a consumer pursuant to a contract, where such
5 contract automatically renews unless the consumer cancels the
6 contract, shall disclose the automatic renewal clause clearly
7 and conspicuously both in the contract and during the process
8 by which a consumer enters into the contract, including the
9 cancellation procedure. The clear and conspicuous disclosure
10 of the automatic renewal clause displayed during the contract
11 formation process must require the consumer to affirmatively
12 consent to the renewal terms.

13 (b) 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, where such
16 contract term is a specified term of 12 months or more, and
17 where such contract automatically renews for a specified term
18 of more than one month unless the consumer cancels the
19 contract, shall notify the consumer in writing of the
20 automatic renewal. Written notice shall be provided to the
21 consumer no less than 30 days and no more than 60 days before
22 the cancellation deadline pursuant to the automatic renewal
23 clause. Such written notice shall disclose clearly and
24 conspicuously, in a retainable form:

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

1 (ii) where the consumer can obtain details of the
2 automatic renewal provision and cancellation procedure
3 (for example, by contacting the business at a specified
4 telephone number or address or by referring to the
5 contract);

6 (iii) the dollar amount that will be charged to the
7 consumer if the consumer does not cancel the contract;

8 (iv) the length of time for which the contract permits
9 the consumer to be charged for the products and services
10 provided under the agreement; and

11 (v) a link that directs the consumer to the
12 cancellation process.

13 (b-5) A person, firm, partnership, association, or
14 corporation that makes an automatic renewal offer or
15 continuous service offer online shall provide a toll-free
16 telephone number, electronic mail address, a postal address if
17 the seller directly bills the consumer, or another
18 cost-effective, timely, and easy-to-use mechanism for
19 cancellation that shall be described in the notice required in
20 subsection (b). A consumer who accepts an automatic renewal or
21 continuous service offer online must be allowed to terminate
22 the automatic renewal or continuous service exclusively
23 online, which may include a termination email formatted and
24 provided by the business that a consumer can send to the
25 business without additional information.

26 (b-10) Any person, firm, partnership, association, or

1 corporation that sells or offers to sell any products or
2 services to a consumer pursuant to a contract, where such
3 contract allows the consumer to accept a free gift or trial as
4 part of an automatic renewal offer before the consumer makes
5 any payment, or where such contract entitles the consumer to
6 an introductory reduced, promotional, or discounted rate
7 before the customer begins paying the full rate, shall be
8 subject to the requirements described in subsection (b) and
9 shall provide notice at least 3 days before, and at most 21
10 days before, the expiration of the predetermined period of
11 time for which the free gift or trial, or reduced,
12 promotional, or discounted rate applies.

13 An offer shall be exempt from the requirements under this
14 subsection if the consumer does not enter into the contract
15 electronically and the business has not collected or
16 maintained the consumer's valid email address, phone number,
17 or another means of notifying the consumer electronically.

18 (b-15) A person, firm, partnership, association, or
19 corporation that allows consumers to accept an automatic
20 renewal or continuous service offer online shall allow a
21 consumer to terminate the automatic renewal or continuous
22 service exclusively online, at will, and without engaging any
23 further steps that obstruct or delay the consumer's ability to
24 terminate the automatic renewal or continuous service
25 immediately. The business shall provide a method of
26 termination that is clearly and conspicuously available online

1 in the form of either, or both, of the following:

2 (i) a prominently located direct link or button which
3 may be located within either a customer account or
4 profile, or within either device or user settings; or

5 (ii) by an immediately accessible termination email
6 formatted and provided by the business that a consumer can
7 send to the business without additional information.

8 The link or button and the email described in this
9 subsection shall also feature a clear and conspicuous phone
10 number which consumers may call in order to terminate their
11 automatic renewal contract. Termination via phone call shall
12 be sufficient in lieu of the online termination process.

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

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

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

23 (iii) where an error has caused a failure to comply
24 with this Act, it provides a full refund or credit for all
25 amounts billed to or paid by the consumer from the date of
26 the renewal until the date of the termination of the

1 account, or the date of the subsequent notice of renewal,
2 whichever occurs first.

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