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 Section 10 as follows:

(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 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;
  - (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.
- (a-5) 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 trial or a promotional 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 during the free trial or the promotional period no less than 3 days before the cancellation deadline as described by the automatic renewal offer terms. The person, firm, partnership, association, or corporation shall send the notice in a method in which the consumer is accustomed to interacting with the person, firm, partnership, association, or corporation.
  - (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. Such written notice shall disclose clearly and conspicuously, in a retainable form:

- (i) that unless the consumer cancels the contract itwill automatically renew;
- (ii) a mechanism for cancelling the contract, which shall be offered in a manner in which the consumer commonly interacts with the business; and
- (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; 103-70, eff. 1-1-24.)