

HB610 INTRODUCED



1 HB610
2 9J7I6MB-1
3 By Representative Sells
4 RFD: Commerce and Small Business
5 First Read: 11-Mar-26



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SYNOPSIS:

Under existing law, businesses may enter into agreements with a consumer which may be automatically renewed once the agreement is complete or which continue unless the consumer cancels.

This bill would require the business to provide a consumer with disclosures that inform the consumer of certain information when the agreement creates an automatic renewal or continuous service agreement.

This bill would prohibit a business from offering an agreement for an automatic renewal or continuous service if disclosures and certain other types of notice are not given to a consumer.

This bill would require the disclosures to be given in a manner that is clear and conspicuous.

This bill would require a business that makes an automatic renewal offer or continuous service offer to provide a mechanism for cancellation of the agreement that meets certain requirements.

This bill would prohibit a business from obstructing or delaying cancellation of an automatic renewal or continuous service agreement, subject to certain exceptions.

This bill would require that the consumer be able to cancel the agreement using the same medium that



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29 the consumer used in the transaction that resulted in
30 the activation of the automatic renewal or continuous
31 service.

32 This bill would require that businesses provide
33 notice of material changes to the agreement before
34 charging the consumer pursuant to an automatic renewal
35 or continuous service.

36 This bill would require that businesses send a
37 reminder for each term of the automatic renewal or
38 continuous service agreement before the consumer is
39 charged pursuant to the agreement.

40 This bill would also provide that a knowing or
41 intentional violation of this act is a deceptive trade
42 act or practice and authorize the Attorney General to
43 enforce civil and criminal penalties for violations.

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A BILL

48

TO BE ENTITLED

49

AN ACT

50

51 Relating to consumer protection; to require a business
52 to provide disclosures to inform consumers of certain
53 information when creating an automatic renewal or continuous
54 service agreement; to prohibit an offer of the same medium
55 that the consumer used in the transaction that resulted in the
56 activation of the automatic renewal or continuous service



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57 without disclosures or notice of the automatic renewal; to
58 require that the disclosures and notices be clear and
59 conspicuous; to require that a business provide a mechanism
60 for cancellation of the agreement; to prohibit a business from
61 obstructing or delaying cancellation; to require a business to
62 allow consumers to cancel using certain mediums; to require a
63 business to notify consumers of material changes to an
64 agreement; to require reminders for each term of the
65 agreement; and to create civil and criminal penalties for
66 violations as deceptive trade practices.

67 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

68 Section 1. For the purposes of this act, the following
69 terms have the following meanings:

70 (1) AUTOMATIC RENEWAL. A plan, arrangement, or
71 provision of a contract that contains a free-to-pay conversion
72 or in which a paid subscription or purchasing agreement is
73 automatically renewed at the end of a definite term for a
74 subsequent term.

75 (2) BUSINESS. Any individual, corporation, partnership,
76 sole proprietorship, joint stock company, joint venture, or
77 other private business entity.

78 (3) CLEAR AND CONSPICUOUS. For text, language that is
79 in larger type than the surrounding text, or in contrasting
80 type, font, or color to the surrounding text, or set off from
81 the surrounding text of the same size by symbols or other
82 marks in a manner that clearly calls attention to the
83 language. For audio, language at a volume and in a cadence
84 sufficient to be readily audible and understandable.



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85 (4) CONSUMER. An individual located in this state who,
86 by purchase or lease, seeks or acquires goods, services,
87 money, or credit for personal, family, or household purposes.

88 (5) CONTINUOUS SERVICE. A plan, arrangement, or
89 provision of a contract that contains a free-to-pay conversion
90 or in which a paid subscription or purchasing agreement
91 continues until the consumer cancels the service.

92 (6) FREE-TO-PAY CONVERSION. In an offer or agreement to
93 sell or provide goods or services, a provision under which a
94 consumer receives goods or services for free for an initial
95 period and will incur an obligation to pay for the goods or
96 services if the customer does not take affirmative action to
97 cancel the goods or services before the end of the specified
98 period.

99 (7) LOCAL GOVERNMENT. Any incorporated municipality,
100 county, or other political subdivision of the state or an
101 agency, board, or commission of the political subdivision of
102 the state.

103 (8) LOCAL UTILITY AUTHORITY. An authority incorporated
104 pursuant to state or local law that provides water, sewage, or
105 other utilities to residents.

106 (9) OFFER TERMS. Any of the following disclosures made
107 by a business to a consumer:

108 a. The subscription or purchasing agreement will
109 continue until the consumer cancels the subscription or
110 purchasing agreement.

111 b. The description of the cancellation policy that
112 applies to the offer.



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113 c. The recurring charges that will be charged to the
114 consumer's credit or debit card or payment amount with a third
115 party as part of the automatic renewal plan or arrangement,
116 and that the amount of the charge may change, and if that is
117 the case, include the amount to which the charge will change,
118 if known.

119 d. The length of the term of the automatic renewal or
120 continuous service, unless the length of the term is chosen by
121 the consumer.

122 e. The minimum purchase obligation, if any.

123 Section 2. (a) A business that provides offer terms for
124 an automatic renewal or continuous service agreement to a
125 consumer shall:

126 (1) Present the offer terms in a clear and conspicuous
127 manner before the subscription or purchasing agreement is
128 fulfilled;

129 (2) Present the terms in visual proximity, or if
130 conveyed in a verbal offer in temporal proximity, to the
131 request for consent to the offer;

132 (3) Present an acknowledgment that includes the offer
133 terms, cancellation policy, and information regarding how to
134 cancel the policy in a manner that is capable of being
135 retained by the consumer;

136 (4) Obtain the consumer's express consent to the offer
137 terms; and

138 (5) Maintain verification of the consumer's consent
139 obtained under subdivision (4) for the last three years, or
140 one year after the contract is terminated, whichever period is



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141 longer.

142 (b) (1) The business, before confirming the consumer's
143 billing information, shall provide a consumer with a notice
144 that clearly and conspicuously states:

145 a. That the automatic renewal or continuous service
146 will automatically renew unless the consumer cancels the
147 automatic renewal or continuous service;

148 b. The length and any additional terms of the renewal
149 period;

150 c. The amount or the range of costs the consumer will
151 be charged and, if applicable, the frequency of those charges
152 a consumer will incur unless the consumer takes timely steps
153 to prevent or stop those charges; and

154 d. One or more methods by which a consumer can cancel
155 the automatic renewal or continuous service.

156 (2) If the notice required by this subsection is sent
157 electronically, the notice shall include a link that directs
158 the consumer to the cancellation process or, if a link is not
159 available, another reasonably accessible electronic method
160 that directs the consumer to the cancellation process.

161 (c) If the offer for the automatic renewal or
162 continuous service agreement includes a free gift or trial,
163 the offer shall include:

164 (1) A clear and conspicuous explanation of the price
165 that will be charged after the trial ends or the manner in
166 which the subscription or purchasing agreement pricing will
167 change upon the conclusion of the trial; and

168 (2) A clear and conspicuous explanation of how to



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169 cancel the free gift or trial and allow the consumer to cancel
170 the automatic renewal or continuous service before the
171 consumer pays for the goods or services.

172 (d) In the course of offering an agreement for an
173 automatic renewal or continuous service, the business may not:

174 (1) Charge the consumer's credit or debit card or the
175 consumer's account with a third party for an automatic renewal
176 or continuous service without first obtaining the consumer's
177 consent to the agreement containing the offer terms, including
178 the offer terms that are made at a promotional or discounted
179 price for a limited period of time;

180 (2) Include any information in the contract that
181 interferes with, detracts from, contradicts, or otherwise
182 undermines the ability of a consumer to provide the consumer's
183 consent to the automatic renewal or continuous service; or

184 (3) Misrepresent, expressly or by implication, any
185 material fact related to the transaction, including whether
186 the transaction contains an automatic renewal or continuous
187 service.

188 Section 3. (a) A business shall provide a consumer with
189 the notice required under Section 2(b):

190 (1) If the consumer accepted a free gift or trial,
191 lasting for more than 31 days, which was included in an
192 automatic renewal offer or continuous service offer, at least
193 three days but not more than 21 days before the expiration of
194 the predetermined period of time for which the free gift,
195 trial, promotion, or discounted price applies;

196 (2) If the consumer accepted an automatic renewal offer



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197 or continuous service offer at a promotional or discounted
198 price and the applicability of that price was for more than 31
199 days, at least three days but not more than 21 days before the
200 expiration of the predetermined period of time for which the
201 free gift, trial, promotion, or discounted price applies; or

202 (3) If the consumer accepts offer terms with an initial
203 term of one year or longer which automatically renew unless
204 the consumer cancels the automatic renewal or continuous
205 service, at least 15 days but not more than 45 days before the
206 automatic renewal offer or continuous service offer renews.

207 (b) If more than one subdivision under subsection (a)
208 applies to the offer or agreement for an automatic renewal or
209 continuous service, the business shall provide the notice at
210 least 15 days but not more than 45 days before the automatic
211 renewal offer or continuous service offer renews.

212 (c) As used in this section, "free gift" does not
213 include a free promotional item or gift given by the business
214 that differs from the subscription.

215 (d) This section shall not apply to an offer if the
216 consumer does not enter into the contract electronically and
217 the business has not collected or maintained the consumer's
218 valid email address, telephone number, or other means of
219 notifying the consumer electronically.

220 Section 4. (a) A business that makes an automatic
221 renewal offer or continuous service offer shall provide a
222 toll-free telephone number or email address, or provide
223 another cost-effective, timely, and easy-to-use mechanism for
224 cancellation that must be described in the acknowledgment



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225 specified under Section 2(a)(3). If the business directly
226 bills the consumer by mail, the business may provide a postal
227 address as the mechanism for cancellation.

228 (b)(1) Except as provided under subdivision (2), if a
229 business provides a mechanism for cancellation by toll-free
230 telephone number, the business shall:

231 a. Answer calls promptly during normal business hours;
232 and

233 b. Not obstruct or delay the consumer's ability to
234 cancel the automatic renewal or continuous service.

235 (2) If a consumer leaves a voicemail with a business
236 where the consumer requests to cancel an automatic renewal or
237 continuous service offer, the business, within one business
238 day, shall process the requested cancellation or call the
239 consumer back regarding the cancellation request.

240 Section 5. (a) In addition to the requirements of
241 Section 3, a business that allows a consumer to accept an
242 automatic renewal offer or continuous service offer online
243 shall allow a consumer to terminate the automatic renewal or
244 continuous service exclusively online, at will, and without
245 engaging in any further steps that obstruct or delay the
246 consumer's ability to immediately terminate the automatic
247 renewal or continuous service.

248 (b) The business shall provide an online method of
249 termination in the form of one of the following:

250 (1) A prominently located direct link or button that
251 may be located within either a customer account, profile, or
252 user or device settings.



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253 (2) An immediately accessible termination email
254 formatted and provided by the business which a consumer can
255 send to the business without additional information.

256 (c) The termination requirements of this section shall
257 apply to both the offer terms of the contract and the
258 remaining provisions of the contract which continue to be
259 governed by all applicable laws and rules.

260 (d) (1) Notwithstanding Section 4(a), a business may
261 require a consumer to enter account information or otherwise
262 authenticate his or her identity online before termination of
263 the automatic renewal or continuous service if the consumer
264 has an account with the business.

265 (2) A consumer who is unwilling or unable to enter
266 account information or otherwise authenticate his or her
267 identity online before termination of the automatic renewal or
268 continuous service online shall not be precluded from
269 authenticating or terminating the automatic renewal or
270 continuous service offline using another method under Section
271 4.

272 (e) (1) If the consumer remains able to cancel the
273 automatic renewal or continuous service, a business that
274 provides a discount offer, provides other consumer benefits,
275 or informs a consumer of the effect of the cancellation shall
276 not be considered to be an obstruction or delay under
277 subsection (a).

278 (2) If the consumer requests to cancel by telephone,
279 the business, before making the offers under subdivision (1),
280 shall clearly and conspicuously inform the consumer that the



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281 consumer may complete the cancellation process at any time by
282 stating that the consumer wants to cancel or words to that
283 effect. If the consumer states his or her intention to cancel
284 or words to that effect, the business shall promptly process
285 the cancellation and shall not otherwise obstruct or delay the
286 consumer's ability to cancel the automatic renewal or
287 continuous service.

288 (3) If a consumer conveys a request to cancel using an
289 online system, the business, simultaneously with the
290 presentation of the discounted offer, shall display a
291 continuous, prominent, and proximately located direct link or
292 button entitled "click to cancel," or words to that effect. If
293 the consumer uses the direct link or button, the business
294 shall promptly process the cancellation and shall not
295 otherwise obstruct or delay the consumer's ability to proceed
296 to cancellation.

297 Section 6. (a) The ability to cancel the automatic
298 renewal or continuous service shall be available to a consumer
299 in the same medium that the consumer used in the transaction
300 that resulted in the activation of the automatic renewal or
301 continuous service or the same medium that the consumer is
302 accustomed to interacting with the business, including,
303 without limitation, in person, by telephone, by mail, or by
304 email.

305 (b) (1) If the activation of the automatic renewal or
306 continuous service was by telephone, a telephone number that
307 is capable of being retained by the consumer shall be
308 available to the consumer to cancel the automatic renewal or



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309 continuous service.

310 (2) The telephone number shall be clearly and
311 conspicuously displayed on the business's website if the
312 business operates a website.

313 Section 7. (a) If there is a material change in the
314 terms of the automatic renewal or continuous service that has
315 been accepted by a consumer in this state, the business shall
316 provide the consumer with:

317 (1) A clear and conspicuous notice of the material
318 change; and

319 (2) Information regarding how to cancel in a manner
320 that is capable of being retained by the consumer.

321 (b) If there is a change in the fee charged under
322 existing offer terms that has been accepted by a consumer,
323 including changes that the consumer affirmatively consented to
324 in an existing plan or arrangement, the business, no less than
325 seven days and no more than 30 days before the fee change
326 takes effect, shall provide the consumer with:

327 (1) A clear and conspicuous notice of the fee change;
328 and

329 (2) Information regarding how to cancel in a manner
330 that is capable of being retained by the consumer.

331 Section 8. (a) (1) A business shall send a reminder for
332 each term to a consumer under an automatic renewal agreement
333 or continuous service agreement with the business in the same
334 medium that resulted in the activation of the automatic
335 renewal or continuous service or the same medium through which
336 the consumer is accustomed to interacting with the business,



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337 including, without limitation, by telephone, mail, or email.

338 (2) For original in-person or voice-based transactions,
339 the business shall send the reminder by telephone, mail, or
340 any Internet-based communication.

341 (b) The reminder sent under subsection (a) shall
342 disclose:

343 (1) The product or service to which the automatic
344 renewal or continuous service applies;

345 (2) The frequency and amount of charges associated with
346 the automatic renewal or continuous service; and

347 (3) The means to cancel the automatic renewal or
348 continuous service.

349 Section 9. (a) Except as provided in subsection (b),
350 this act shall apply only before completion of the initial
351 order for the automatic renewal or continuous service.

352 (b) Notwithstanding subsection (a), the requirements of
353 Sections 2, 3, 7, and 8 may be fulfilled in the following
354 manners:

355 (1) Section 2(a)(3) and (b) may be fulfilled after
356 completion of the initial order for the automatic renewal or
357 continuous service.

358 (2) Section 3 may be fulfilled after completion of the
359 initial order.

360 (3) Section 7 shall be fulfilled before implementation
361 of the material change or fee change.

362 (4) Section 8 shall be fulfilled at least five days,
363 but not more than 10 days, before the consumer is billed for
364 an upcoming term of the agreement.



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365 Section 10. This act shall not apply to the following:

366 (1) Any person subject to the jurisdiction of the State
367 Banking Department.

368 (2) Any person subject to the jurisdiction of the
369 Alabama Securities Commission.

370 (3) Any person subject to the jurisdiction of the
371 Department of Insurance of the State of Alabama.

372 (4) Any person subject to the jurisdiction of the
373 Public Service Commission.

374 (5) Any person subject to the jurisdiction of the
375 Federal Communications Commission, excluding those persons
376 providing satellite digital radio services.

377 (6) A local utility authority.

378 (7) A service provider or its affiliate if the service
379 provider or its affiliate is doing business under a franchise
380 issued by the state or local government.

381 (8) A person under the jurisdiction of the Alabama
382 Security Regulatory Board.

383 Section 11. (a) Any knowing or reckless violation of
384 this act is deemed a deceptive trade practice actionable under
385 Chapter 19 of Title 8 of the Code of Alabama 1975. If the
386 Attorney General has reason to believe that an entity is in
387 violation of this act, the Attorney General may bring an
388 action against the entity for an unfair or deceptive trade
389 practice. In addition to other remedies available under
390 Chapter 19 of Title 8 of the Code of Alabama 1975, the
391 Attorney General may collect a civil penalty of up to seven
392 thousand five hundred dollars (\$7,500) per violation,



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393 reasonable attorney fees, and court costs.

394 (b) If a violation described in subsection (a) is part
395 of a consistent pattern of knowing or reckless conduct, the
396 Attorney General may seek punitive damages against the entity.

397 (c) An action for a claim under this section must be
398 brought within one year from the date the Attorney General
399 knew or reasonably should have known of the alleged violation.

400 (d) This section does not preclude any other available
401 remedy at law or equity.

402 Section 12. This act shall become effective on October
403 1, 2026.