

GREEN SHEET REDIGEST

HB 750

2026 Regular Session

Cox

CONSUMERS/PROTECTION: Provides for easy cancellation of automatic renewal subscriptions.

DIGEST

Proposed law defines "automatic renewal contract", "automatic renewal offer terms", "continuous service renewal offer terms", "clear and conspicuous" or "clearly and conspicuously", "consumer", "merchandise", "person", and "trial period".

Proposed law provides that an automatic renewal contract offered to a consumer in this state must clearly and conspicuously disclose the automatic renewal offer terms, cancellation policy, and cancellation instructions to the consumer before the consumer can be charged.

Proposed law prohibits the inclusion of any information that contradicts or undermines the consumer's ability to provide affirmative acceptance to the automatic renewal contract.

Proposed law requires that business records sufficient to demonstrate the consumer's affirmative acceptance of the terms be maintained for a period of not less than one year from the date of formation of the contract.

Proposed law provides that the cancellation mechanism for an automatic renewal contract be cost-effective, timely, and easy-to-use, and shall not be unreasonably burdensome or designed to deter cancellation.

Proposed law provides that consumers must be promptly notified at least 3 days prior to the renewal or conversion of any material changes in the automatic renewal contract or any upcoming automatic renewal payments if the renewal term is 12 months or longer, if there is a material change in contract terms, or if the contract converts from a trial period to a paid subscription.

Proposed law provides for a 30-day period within which a person who violates proposed law may cure that violation without penalty.

Proposed law provides for exemptions.

Proposed law provides for penalties for violations of proposed law.

(Adds R.S. 51:3301-3304)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Change the definition of "consumer" from a person who purchases or attempts to purchase merchandise to a person who purchases or attempts to purchase merchandise, for personal, family, or household purposes.
3. Reduce the time period that records of the consumer's affirmative consent must be kept from the date of acceptance or termination of the contract, from 3 years to 1 year.
4. Change the required cancellation mechanism from the same medium used to accept the automatic renewal contract to one that is reasonable, readily accessible, not unreasonably burdensome, or designed to deter cancellation.

5. Change the requirement to notify the consumer of an upcoming automatic renewal from each automatic renewal to only renewal terms of 12 months or longer, or when there is a material change in contract terms, or a conversion from trial period to paid subscription.
6. Require notice of an upcoming automatic renewal to include renewal terms, amount to be charged, and instructions on how to cancel.
7. Provide a 30-day period within which a person in violation of proposed law may cure that violation without penalty.
8. Exempt a person with fewer than 50 employees or with an annual gross revenue of less than \$5 million from the notice requirements of proposed law if that person complies with disclosure, consent, and cancellation requirements.
9. Provide that a person who demonstrates a good faith effort to comply with the provisions of proposed law shall not be held liable for technical or inadvertent violations.
10. Change the possible penalty for a violation from financial damages, court costs, and attorney fees to actual damages only and attorney fees only for willful violations.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Remove provision from proposed law that would exclude from the definition of "clear and conspicuous" or "clearly and conspicuously" a disclosure requiring additional action to view, such as clicking on a hyperlink or hovering over an icon.
3. Amend provisions of proposed law that prohibit certain acts or omissions by a person offering an automatic renewal contract to a consumer in this state.
4. Amend provision of proposed law providing that a person offering an automatic renewal contract shall not fail to maintain business records sufficient to demonstrate the consumer's affirmative consent from a period of not less than one year from the date of acceptance or termination of the contract, whichever is later, to a period of not less than one year from the date of formation of the contract.
5. Amend requirements of proposed law regarding the contents of a clear and conspicuous notice to be provided to a consumer before confirmation of his billing information for an automatic renewal contract.
6. Amend requirements of proposed law regarding the cancellation mechanism to be provided to a consumer in connection with an automatic renewal contract.
7. Amend proposed law regarding use of a cancellation mechanism for an automatic renewal contract from stopping any recurring charges to stopping future charges after the expiration of the contractual term.
8. Remove requirement of proposed law that a person offering an automatic renewal contract must provide to the consumer certain required notices by postal mail, electronic mail, or another form of communication authorized by the consumer.
9. Amend requirement of proposed law that certain notices be provided to consumers in an automatic renewal contract prior to renewal under certain circumstances from 15 days prior to the renewal or conversion to 3 days prior to that renewal.

10. Add exemption from proposed law for a service provided by a business or its affiliate when that business or affiliate is regulated by the Federal Communications Commission.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Expands the exemption to include affiliates of licenced insurers.
2. Removes membership commitment from the definition of "automatic renewal contract".
3. Makes technical changes.