

Sec. 1. 9 V.S.A. § 2454a is added to read:

§ 2454a. CONSUMER CONTRACTS; AUTOMATIC RENEWAL

- (a) A contract between a consumer and a seller or a lessor with an initial term of longer than one year that renews for a subsequent term that is longer than one month shall not renew automatically unless the seller or lessor:
- (1) Presents the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner 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.
  - (2) Obtains the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms before charging the consumer's credit or debit card, or the consumer's account with a third party, for an automatic renewal or continuous service: and
  - (3) Provides an acknowledgment that includes the automatic renewal or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. If the offer includes a free trial, the business shall also disclose in the acknowledgment how to cancel, and allow the consumer to cancel, before the consumer pays for the goods or services;

(b) A person who violates a provision of subsection (a) of this section

commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(c) The provisions of this section do not apply to:

- (1) a contract between a consumer and a financial institution, as defined in 8 V.S.A. § 11101;
- (2) a contract for insurance, as defined in 8 V.S.A. § 3301a; or
- (3) a contract with any business or service that allows the automatic renewal to be turned off through a simple mechanism routinely available from the Internet or a mobile device or application.