

1 **SENATE FLOOR VERSION**

2 April 24, 2025

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1851

By: Schreiber and Deck of the
House

6 and

7 Gollihare of the Senate

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11 [contracts - Oklahoma Fair Renewal Act - automatic
12 renewal contracts - offer terms - online link -
written acknowledgement - notice of material changes
- notice of contract renewal - exceptions - unlawful
13 business practice - codification - effective date]

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17 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

18 SECTION 1. NEW LAW A new section of law to be codified

19 in the Oklahoma Statutes as Section 773 of Title 15, unless there is
20 created a duplication in numbering, reads as follows:

21 This act shall be known and may be cited as the "Oklahoma Fair
22 Renewal Act".

1 SECTION 2. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 773.1 of Title 15, unless there
3 is created a duplication in numbering, reads as follows:

4 As used in this act:

5 1. "Automatic renewal contract" means a plan or arrangement in
6 which a paid subscription or purchasing agreement is automatically
7 renewed at the end of a definite term for a subsequent term or on a
8 continuous or recurring basis;

9 2. "Automatic renewal offer terms" means the following clear
10 and conspicuous disclosures:

11 a. notification that an automatic renewal contract will
12 automatically renew or extend after the initial period
13 for a set term not to exceed one (1) year unless the
14 consumer gives express written consent for a longer
15 renewal term,

16 b. a description of the cancellation policy that applies
17 to the offer,

18 c. any recurring charges that will be charged to the
19 consumer's credit card, debit card, or payment account
20 with a third party as part of an automatic renewal
21 contract,

22 d. the length of an automatic renewal term, or

23 e. the minimum purchase obligation, if any;

1 3. "Clear and conspicuous" or "clearly and conspicuously"
2 means:

- 3 a. in larger type than the surrounding text,
4 b. in contrasting type, font, or color to the surrounding
5 text of the same size,
6 c. set off from the surrounding text of the same size by
7 symbols or other marks in a manner that clearly calls
8 attention to the language, or
9 d. in the case of an audio disclosure, in a volume and
10 cadence sufficient to be readily audible and
11 understandable;

12 4. "Consumer" means an individual who seeks or acquires, by
13 purchase or lease, any goods, services, money, or credit for
14 personal, family, or household purposes; and

15 5. "Trial period offer" means a solicitation offering a
16 consumer a period of time in which to sample a product or service,
17 which offer is used as an inducement for the consumer to make a
18 purchase of the product or service or a similar product or service.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 773.2 of Title 15, unless there
21 is created a duplication in numbering, reads as follows:

22 A. A person or entity that offers an automatic renewal contract
23 to a consumer in this state shall:

1 1. Present the automatic renewal offer terms in a clear and
2 conspicuous manner before the automatic renewal contract is
3 executed;

4 2. Provide the consumer with a written acknowledgment that
5 includes the automatic renewal offer terms, the cancellation policy,
6 and information regarding how to cancel in a manner that is capable
7 of being physically or electronically retained by the consumer; and

8 3. If the offer of an automatic renewal contract includes a
9 trial period offer:

10 a. include a clear and conspicuous explanation of the
11 price that will be charged and any further purchase
12 obligations that shall be imposed on the consumer
13 after the trial period ends,

14 b. disclose in the written acknowledgment, pursuant to
15 paragraph 2 of this subsection, the manner in which a
16 consumer may cancel the automatic renewal contract,
17 and

18 c. allow a consumer to cancel the contract before the
19 consumer is required to pay for the goods or services.

20 B. It shall be unlawful for a person or entity that offers an
21 automatic renewal contract to a consumer in this state to utilize an
22 online link that is presented as part of an offer of an automatic
23 renewal contract, in which the online link directs the consumer to

1 detailed information about the automatic renewal contract, unless
2 the online link:

3 1. Is available before a consumer elects to purchase any good
4 or service subject to the automatic renewal contract;

5 2. Appears directly adjacent to any online link used by the
6 consumer to purchase any good or service subject to the automatic
7 renewal contract; and

8 3. Is labeled with, or is directly adjacent to, a clear and
9 conspicuous disclosure that states that by purchasing the good or
10 service, the consumer agrees to enroll in an automatic renewal
11 contract.

12 C. A person or entity that offers an automatic renewal contract
13 to a consumer in this state shall provide a simple and readily
14 accessible mechanism for canceling an automatic renewal contract or
15 trial period offer, which shall be:

16 1. A direct online cancellation link that is:

17 a. located on the website of the person or entity, within
18 the consumer's account or profile, or contained in an
19 electronic device or service, or an electronic
20 communication to the consumer, and

21 b. available to the consumer immediately or directly
22 after the consumer completes a reasonable
23 authentication protocol used solely to confirm that

1 the consumer is authorized to make changes to the
2 account; or

3 2. An in-person mechanism for canceling an automatic renewal
4 contract or trial period offer at a physical location where the
5 consumer regularly utilizes any goods or services that are subject
6 to the automatic renewal contract.

7 SECTION 4. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 773.3 of Title 15, unless there
9 is created a duplication in numbering, reads as follows:

10 If a material change occurs in the terms of an automatic renewal
11 contract that has been accepted by a consumer in this state, the
12 person or entity offering the automatic renewal contract shall
13 provide to the consumer:

14 1. A clear and conspicuous notice of the material change; and
15 2. Information regarding cancellation of the automatic renewal
16 contract pursuant to Section 3 of this act.

17 SECTION 5. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 773.4 of Title 15, unless there
19 is created a duplication in numbering, reads as follows:

20 A person or entity that sells a good or service to a consumer
21 pursuant to an automatic renewal contract shall notify the consumer
22 that the contract shall automatically renew unless the consumer
23 cancels the contract. The notice shall:

1 1. Inform the consumer of the process of cancelling the
2 contract;
3 2. Provide clear and accurate information regarding the
4 identity of the sender;
5 3. Provide a cancellation mechanism pursuant to Section 3 of
6 this act;
7 4. Be provided by one of the following methods:
8 a. physical mail,
9 b. electronic mail,
10 c. mobile phone application, or
11 d. text message, if such communication has been
12 authorized by the customer; and
13 5. Be sent no fewer than fifteen (15) days and no more than
14 forty-five (45) days prior to the automatic renewal of the contract
15 when the contract has an initial term of one (1) year that renews
16 for more than one (1) month.

17 SECTION 6. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 773.5 of Title 15, unless there
19 is created a duplication in numbering, reads as follows:

20 The provisions of this act shall not apply to:

21 1. A service provided by a person pursuant to a franchise
22 issued by a political subdivision of the state or a license,
23 franchise, certificate, or other authorization issued by the
24 Corporation Commission;

1 2. A service provided by a person or entity, or an affiliate or
2 subsidiary that is regulated by the Federal Communications
3 Commission, the Federal Energy Regulatory Commission, or the
4 Corporation Commission;

5 3. Any person or entity regulated by the Insurance Department,
6 or an affiliate of such person or entity;

7 4. A bank or bank holding company that is licensed under state
8 or federal law, or a subsidiary or affiliate of such bank or bank
9 holding company;

10 5. A credit union or other financial institution that is
11 licensed under state or federal law;

12 6. An air carrier as defined in and regulated under the Federal
13 Aviation Act of 1958, 49 U.S.C., Section 40101 et seq., as amended,
14 including the federal Airline Deregulation Act of 1978, 49 U.S.C.,
15 Section 41713, as amended;

16 7. An entity regulated by the Department of Labor under the
17 Alarm, Locksmith and Fire Sprinkler Industry Act; or

18 8. Any newspaper qualified and authorized to publish legal or
19 public notices pursuant to Section 106 of Title 25 of the Oklahoma
20 Statutes.

21 SECTION 7. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 773.6 of Title 15, unless there
23 is created a duplication in numbering, reads as follows:

1 Any violation of this act shall be enforceable exclusively by
2 the Attorney General and the district attorneys of this state except
3 when provided for in Section 761.1 of Title 15 of the Oklahoma
4 Statutes.

5 SECTION 8. This act shall become effective November 1, 2025.

6 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
April 24, 2025 - DO PASS AS AMENDED BY CS

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