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INNOVATION, DEVELOPMENT, ECONOMIC ADVANCEMENT AND BUSINESS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 576, L.D. 771, Bill, “An Act Regarding the Cancellation of Subscription Services”

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 10 MRSA c. 205-B is enacted to read:

CHAPTER 205-B

AUTOMATIC SUBSCRIPTION RENEWAL

§1210-C. Cancellation of subscriptions

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Automatic subscription renewal" means an agreement to provide any of the following goods or services for a specified time and price that is automatically renewed at the end of a definite term for a subsequent term unless the consumer cancels the agreement:

- (1) Online magazines, journals and periodicals;
- (2) Online media players;
- (3) Mobile apps;
- (4) Social networking services;
- (5) Internet game services; and
- (6) Online software.

B. "Extended automatic subscription renewal" means an automatic subscription renewal with a specified subscription term of 12 months or more, in which the

COMMITTEE AMENDMENT

1 subscription automatically renews for a specified term of more than one month unless
2 the consumer cancels the subscription.

3 C. "Internet game service" means an online service that provides information,
4 software, data, text, photographs, graphics, audio or video that may be accessed by a
5 consumer on a paid subscription basis for the purpose of allowing that consumer to
6 play a single-player or multiplayer game through the Internet or to download a game
7 for that consumer to play offline. "Internet game service" does not include online
8 gambling or other gaming in which a person participates to win money.

9 D. "Mobile app" means a software application designed to be operated on a mobile
10 device such as a smartphone.

11 E. "Online media player" means an online service that delivers audio or video
12 content.

13 F. "Online software" means software provided by an online application.

14 G. "Seller" means a person who sells, leases or offers to sell or lease automatic
15 subscription renewals or extended automatic subscription renewals and does not
16 include an entity providing only the host platform on the website of an Internet game
17 service.

18 H. "Social networking service" means an online service that facilitates the building
19 of social relations and the sharing of information among specified groups of people.

20 **2. Method of cancellation of automatic subscription renewal.** A seller may not
21 make an automatic subscription renewal offer to a consumer in this State unless the seller
22 presents that consumer with an easily accessible disclosure of the methods that the
23 consumer may use to cancel the subscription. The seller must provide for online
24 cancellation of the subscription by any means of communicating information over a
25 computer network. If a phone number is also provided for the purposes of cancellation of
26 the subscription, the number must be toll-free and must be prominently displayed in the
27 disclosure.

28 **3. Extended automatic subscriptions.** A seller may not make an extended
29 automatic subscription renewal offer to a consumer in this State unless the seller notifies
30 the consumer of the automatic renewal. Notice must be provided to the consumer no less
31 than 30 days and no more than 60 days before the cancellation deadline pursuant to the
32 automatic subscription renewal. The notice must be provided in the same manner as the
33 manner used by the consumer to purchase the subscription. The notice must disclose
34 clearly and conspicuously:

35 A. That unless the consumer cancels the subscription it will automatically renew;
36 and

37 B. Where the consumer can obtain details regarding the automatic subscription
38 renewal and cancellation procedure.

39 **4. Application.** This chapter applies only to an agreement entered into or renewed
40 after January 1, 2020 under which a seller makes an automatic subscription renewal or
41 extended automatic subscription renewal offer to a consumer in this State.

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§1210-D. Violation

1. Violations. A violation of this section is a violation of the Maine Unfair Trade Practices Act.

2. Exceptions. An action may not be brought under the Maine Unfair Trade Practices Act if a seller violates this chapter as the result of an error and provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the subscription renewal until the date of the termination of the subscription or the date of the subsequent notice of renewal, whichever occurs first.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment strikes and replaces the bill to reallocate the provisions of the bill to a different chapter of the Maine Revised Statutes, Title 10. This amendment also adds online software to the list of services falling under the bill's provisions and adds a definition for "online software," "extended automatic subscription renewal" and "seller." It adds a requirement that if a phone number is provided for the purposes of cancellation of the subscription, the phone number must be toll-free and must be prominently displayed in the disclosure. It adds a requirement for prior notice of renewal for extended automatic subscription renewals. It adds language exempting sellers from actions brought under the Unfair Trade Practices Act if the seller's failure to comply was the result of an error and the seller compensates the consumer.

FISCAL NOTE REQUIRED

(See attached)