

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB2430

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Simon

3. Committee: Commerce and Labor

4. Title: Automatic renewal offers and continuous service offers; penalties.

5. Summary: Prohibits a supplier making an automatic renewal or continuous service offer to a consumer in the Commonwealth from (i) failing to present the automatic renewal or continuous service offer terms in a clear and conspicuous manner, (ii) charging the consumer for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent, and (iii) failing to provide 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. In the case of a material change in the terms of the automatic renewal or continuous service offer, the bill would require the supplier to provide the consumer with a clear and conspicuous notice of the material change and information regarding how to cancel. The measure provides that in any case in which a supplier sends any goods, wares, merchandise, or products to a consumer under a continuous service agreement or automatic renewal of a purchase without first obtaining the consumer's affirmative consent, the goods, wares, merchandise, or products shall for all purposes be deemed an unconditional gift to the consumer. The bill exempts certain services and businesses from its provisions. A violation is a prohibited practice under the Virginia Consumer Protection Act. The measure has a delayed effective date of December 1, 2017.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: It is anticipated that this bill will not result in a fiscal impact to the Department of Professional and Occupational Regulation.

This bill may impact the Office of the Attorney General (OAG) as the OAG is empowered to issue civil investigative demands for the Virginia Consumer Protection Act. However, any such impact is indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation; Office of the Attorney General.

10. Technical Amendment Necessary: No.

11. Other Comments: None.