

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB911

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Marcus B. 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 January 1, 2019.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: None.

8. Fiscal Implications: The Attorney General and Department of Law (OAG) indicates that the bill presents no fiscal impact.

9. Specific Agency or Political Subdivisions Affected: Attorney General and Department of Law

10. Technical Amendment Necessary: No.

11. Other Comments: