

SENATE BILL 302

By Harshbarger

AN ACT to amend Tennessee Code Annotated, Title 45;  
Title 47; Title 56 and Title 65, relative to consumer  
protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-18-133, is amended by deleting the section and substituting:

(a) This section is known and may be cited as the "Tennessee Consumer Protection and Subscription Renewal Act."

(b) As used in this section:

(1) "Affirmative consent":

(A) Means a clear, affirmative act signifying a consumer's freely given, specific, informed, and unambiguous agreement to the automatic renewal offer terms or continuous service terms; and

(B) Includes a written statement, including a statement written by electronic means, or an unambiguous affirmative action;

(2) "Consumer" means an individual who acquires goods or services for personal, family, or household purposes; and

(3) "Promotional or discounted price" does not include a free gift or trial.

(c) A business that makes an automatic renewal offer or continuous service offer to a consumer in this state shall:

(1) Present 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. If the offer also includes a free gift or trial, or use of a promotional or discounted price, then the offer must include a clear and conspicuous explanation of the price that will be charged after the trial or promotional period ends, or the manner in which the subscription or purchasing agreement pricing will change upon conclusion of the trial or promotional period;

(2)

(A) Obtain the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms, including the terms of an automatic renewal offer or continuous service offer that is made at a promotional or discounted price for a limited period of time, before charging the consumer's credit or debit card, or the consumer's account through a third party, for an automatic renewal offer or continuous service offer; provided, that the business shall not require submission of credit or debit card information, or other payment information for an offer containing a free gift or trial; and

(B) If the automatic renewal will occur more than sixty (60) days after affirmative consent is obtained in accordance with subdivision (c)(2)(A), then the entity with the direct billing relationship with the consumer must provide a clear and conspicuous notice to the consumer of when the business will charge the consumer for the automatic renewal or continuous service. If the automatic renewal will occur one (1) year or more from the date the affirmative consent is obtained in accordance with subdivision (c)(2)(A), then the entity with the direct billing relationship with the consumer must provide a clear and conspicuous notice of the

upcoming charge between fifteen (15) and forty-five (45) days before the date the business will charge the consumer for the automatic renewal or continuous service;

(3) Provide an acknowledgment that includes the automatic renewal offer terms 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 automatic renewal offer or continuous service offer includes an initial promotional or discounted price, then the business shall also disclose in the acknowledgment how to cancel, and allow the consumer to cancel, the automatic renewal or continuous service before the consumer pays for the goods or services; and

(4)

(A) Provide a separate notice that the automatic renewal or continuous service will automatically renew and continue for the duration chosen by the consumer or, if no duration is chosen, until the consumer cancels the subscription or service; and

(B) Obtain the consumer's affirmative consent to the notice required by subdivision (c)(4)(A).

(d)

(1) In addition to the affirmative consent required under subdivision (c)(2), a business shall not change an automatic renewal offer or continuous service offer that includes a free gift or trial to the fully priced subscription or service, or begin automatic renewal of the subscription or service, without first obtaining affirmative consent from the consumer. At the end of the free gift or trial period, the business shall:

(A) Present the offer terms, acknowledgment, and notice required under subdivisions (c)(1), (3), and (4); and

(B) Obtain the consumer's affirmative consent to the offer terms, acknowledgment, and notice.

(2) A business shall not require a consumer in this state to provide a credit or debit card, or other payment information, for a free gift or trial of an automatic renewal subscription or continuous service.

(e) A business that makes an automatic renewal offer or continuous service offer shall provide a toll-free telephone number, electronic mail address, a postal address if the seller directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation that must be described in the acknowledgment specified in subdivision (c)(3).

(f) A business that allows a consumer to accept an automatic renewal or continuous service offer online shall allow the consumer to terminate the automatic renewal or continuous service exclusively online, which may include a termination email formatted and provided by the business that a consumer can send to the business without additional information.

(g)

(1) If a material change in the terms of the automatic renewal or continuous service has been accepted by a consumer in this state, then the business shall provide the consumer with a clear and conspicuous notice of the material change and provide information regarding how to cancel the automatic renewal or continuous service in a manner that is capable of being retained by the consumer.

(2)

(A) In addition to providing the notice required under subdivision (g)(1), before a business makes a material change to the terms of the automatic renewal or continuous service that will incur a financial cost to the consumer, the business shall obtain the consumer's affirmative consent to the material change.

(B) A consumer affected by a business's failure to comply with subdivision (g)(2)(A) may bring an action in a court of competent jurisdiction. A court that finds that the business violated subdivision (g)(2)(A) may fine the business no more than five thousand dollars (\$5,000). In addition, the court may award to the prevailing party:

(i) Punitive damages; and

(ii) Court costs and fees, including attorney fees.

(h) This section does not apply to:

(1) A state or national bank or trust company insured by the federal deposit insurance corporation or an operating subsidiary of that bank or trust company;

(2) A state or federal credit union insured by the national credit union administration;

(3) An individual or entity licensed by the department of financial institutions;

(4) A service provided by a business, or its affiliate, pursuant to:

(A) A franchise issued by a political subdivision of this state; or

(B) A license, franchise, certificate, or other authorization issued by the Tennessee public utility commission;

(5) An individual or business, or an affiliate of the individual or business, regulated by the Tennessee public utilities commission, the federal communications commission, or the federal energy regulatory commission;

(6) A business licensed under title 56 or an affiliate of the business; or

(7) A person or entity providing service contracts as defined in § 56-2-126, or an affiliate of the person or entity.

SECTION 2. This act takes effect July 1, 2025, the public welfare requiring it, and applies to conduct occurring on or after that date.