

Colo. Rev. Stat. § 6-1-732

Section 6-1-732 - Automatic renewal contracts - unlawful acts - required disclosures - right to cancel - trial period offers - exemptions - definitions

(1) As used in this section, unless the context otherwise requires:

(a) "Automatic renewal contract" means a plan or arrangement in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term or on a continuous or recurring basis.

(b) "Automatic renewal offer terms" means the following clear and conspicuous disclosures:

(I) That an automatic renewal contract will automatically renew or extend after the initial period for a set term not to exceed one year unless the consumer gives express written consent for a longer renewal term;

(II) A description of the cancellation policy that applies to the offer;

(III) Any recurring charges that will be charged to the consumer's credit card, debit card, or payment account with a third party as part of an automatic renewal contract;

(IV) The length of an automatic renewal term; and

(V) The minimum purchase obligation, if any.

(c)

(I) "Clear and conspicuous" or "clearly and conspicuously" means in larger type than the surrounding text; in contrasting type, font, or color to the surrounding text of the same size; or set off from the surrounding text of the same size by symbols or other marks in a manner that clearly calls attention to the language.

(II) In the case of an audio disclosure, "clear and conspicuous" or "clearly and conspicuously" means in a volume and cadence sufficient to be readily audible and understandable.

(d) "Consumer" means an individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes.

(e) "Trial period offer" means a solicitation offering a consumer a period of time in which to sample a product or service, which offer is used as an inducement for the consumer to make a purchase of the product or service or a similar product or service.

(2) It is unlawful for a person that offers an automatic renewal contract to a consumer in this state to:

(a) Fail to present the automatic renewal offer terms in a clear and conspicuous manner before the automatic renewal contract is executed. In the case of an offer that is conveyed by voice, the person must present the terms in temporal proximity to the request for the

consumer's consent to the offer. If the offer includes a trial period offer, the offer must also include a clear and conspicuous explanation of the price that will be charged and any further purchase obligations that will be imposed on the consumer after the trial period ends.

(b) Utilize an online link that is presented as part of an offer of an automatic renewal contract, which online link directs a consumer to detailed information about the automatic renewal contract, unless the online link:

(I) Is available before a consumer elects to purchase any good or service subject to the automatic renewal contract;

(II) Appears directly adjacent to any online link used by the consumer to purchase any good or service subject to the automatic renewal contract; and

(III) Is labeled with, or is directly adjacent to, a clear and conspicuous disclosure that states that by purchasing the good or service, the consumer agrees to enroll in an automatic renewal contract;

(c) Fail to provide the consumer a written acknowledgment that includes the automatic renewal offer terms, the cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. If the offer of an automatic renewal contract includes a trial period offer, the person shall also disclose in the written acknowledgment how the consumer may cancel the automatic renewal contract, and the person shall allow the consumer to cancel the contract before the consumer is required to pay for the goods or services.

(d) Fail to provide a simple, cost-effective, timely, easy-to-use, and readily accessible mechanism for canceling an automatic renewal contract or trial period offer. A person is deemed to comply with this subsection (2)(d) if the person offers:

(I) A one-step online cancellation link that is:

(A) Located on the person's website or contained in an electronic device or service or an electronic communication to the consumer; and

(B) Available to the consumer immediately or after the consumer completes a reasonable authentication protocol used solely to confirm that the consumer is authorized to make changes to the account; or

(II) An in-person mechanism for canceling an automatic renewal contract or trial period offer, which mechanism:

(A) Is at a physical location where the consumer regularly utilizes any goods or services that are subject to the automatic renewal contract; and

(B) Satisfies the requirements of this subsection (2)(d).

(3) If a material change occurs in the terms of an automatic renewal contract that has been accepted by a consumer in this state, the person shall provide to the consumer, in a manner that may be retained by the consumer, a clear and conspicuous notice of the material change

and information regarding cancellation of the automatic renewal contract, including information concerning the mechanism described in subsection (2)(d) of this section.

(4)

(a) A person that sells a good or service to a consumer pursuant to an automatic renewal contract shall notify the consumer that the automatic renewal contract will automatically renew or continue unless the consumer cancels the automatic renewal contract. The notice must inform the consumer of the process for canceling the automatic renewal contract, and the process must provide clear and accurate information about the identity of the sender and be consistent with subsection (2)(d) of this section. The person shall provide the notice by:

(I) Physical mail;

(II) E-mail; or

(III) Another easily accessible form of communication, such as a text message or a mobile phone application, if the consumer specifically authorizes the person to provide notice in such form or if the consumer customarily uses such form to communicate with the person.

(b) A person that sells a good or service to a consumer pursuant to an automatic renewal contract shall send the notice described in subsection (4)(a) of this section at least twenty-five and no more than forty days before the first automatic renewal and at least twenty-five and no more than forty days before each automatic renewal thereafter; except that, if the initial automatic renewal or any subsequent automatic renewal is for a term of less than twelve months, the person shall send the notice:

(I) At least once in the period between twenty-five and forty days directly preceding the first automatic renewal that would extend the contract beyond a continuous twelve-month period; and

(II) At least once in the period between twenty-five and forty days directly preceding any subsequent automatic renewal that would extend the contract beyond any additional consecutive and continuous twelve-month period.

(5) Notwithstanding any provision of this section to the contrary, this section does not apply to:

(a) A service provided by a person pursuant to a franchise issued by a political subdivision of the state or a license, franchise, certificate, or other authorization issued by the public utilities commission created in section 40-2-101;

(b) A service provided by a person that is regulated by the federal communications commission, the federal energy regulatory commission, or the public utilities commission created in section 40-2-101;

(c) An entity regulated by the division of insurance;

(d) A bank or bank holding company that is licensed under state or federal law, or a subsidiary or affiliate of such a bank or bank holding company;

(e) A credit union or other financial institution that is licensed under state or federal law;
or

(f) An air carrier as defined in and regulated under the "Federal Aviation Act of 1958", 49 U.S.C. sec. 40101 et seq., as amended, including the federal "Airline Deregulation Act of 1978", 49 U.S.C. sec. 41713, as amended.

(6) The attorney general and the district attorneys of the state have exclusive authority to enforce this section.

C.R.S. § 6-1-732

Added by 2021 Ch. 410, §1, eff. 1/1/2022.

Section 2(2) of chapter 410 HB 21-1239, Session Laws of Colorado 2021, provides that the act adding this section applies to dating service contracts and automatic renewal contracts executed on or after January 1, 2022.
