

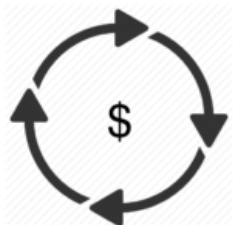
DC Enacts Law Governing Automatic Renewals

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Subscription plans that automatically renew at the end of a term are becoming more popular with companies. They're also getting more scrutiny from regulators. As we've posted before, some [states](#) regulate how these plans can be structured, and there have been both [lawsuits](#) and [regulatory investigations](#) targeting companies that have failed to comply. This week, Washington, DC joined the crowd by enacting a new law governing automatic renewals.

The law requires businesses that sell goods and services on a recurring basis to clearly and conspicuously disclose their



automatic renewal provisions and cancellation procedures in their contracts. In addition, if a contract has an initial term of at least 12 months and will automatically renew for a term of at least one month, a business must take steps to notify consumers before renewal. This must be done by mail, e-mail, text message, or in-app notification. (For text messages, don't forget the TCPA.) The reminder must be sent at least 30 - but no more than 60 - days before the deadline to cancel.

Businesses that offer free trials of at least one month that automatically renew must receive a consumer's affirmative consent to sign up for the automatic renewal program one to seven days before the expiration of the free trial term.

Subject to narrow exceptions, violations of the law will constitute violations of the DC Consumer Protection Procedures Act and render the automatic renewal provision void.