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HOUSE BILL NO. 1022**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Joint Conference Committee
on March 13, 2026)

(Patron Prior to Substitute—Delegate Reaser)

A BILL to amend and reenact §§ 59.1-200 and 59.1-207.45 through 59.1-207.49 of the Code of Virginia, relating to consumer protection; automatic renewal or continuous service offers; disclosure and cancellation.

Be it enacted by the General Assembly of Virginia:**1. That §§ 59.1-200 and 59.1-207.45 through 59.1-207.49 of the Code of Virginia are amended and reenacted as follows:****§ 59.1-200. Prohibited practices.**

A. The following fraudulent acts or practices committed by a supplier in connection with a consumer transaction are hereby declared unlawful:

1. Misrepresenting goods or services as those of another;
2. Misrepresenting the source, sponsorship, approval, or certification of goods or services;
3. Misrepresenting the affiliation, connection, or association of the supplier, or of the goods or services, with another;
4. Misrepresenting geographic origin in connection with goods or services;
5. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits;
6. Misrepresenting that goods or services are of a particular standard, quality, grade, style, or model;
7. Advertising or offering for sale goods that are used, secondhand, repossessed, defective, blemished, deteriorated, or reconditioned, or that are "seconds," irregulars, imperfects, or "not first class," without clearly and unequivocally indicating in the advertisement or offer for sale that the goods are used, secondhand, repossessed, defective, blemished, deteriorated, reconditioned, or are "seconds," irregulars, imperfects, or "not first class";
8. Advertising goods or services with intent not to sell them as advertised, or with intent not to sell at the price or upon the terms advertised.

In any action brought under this subdivision, the refusal by any person, or any employee, agent, or servant thereof, to sell any goods or services advertised or offered for sale at the price or upon the terms advertised or offered, shall be prima facie evidence of a violation of this subdivision. This paragraph shall not apply when it is clearly and conspicuously stated in the advertisement or offer by which such goods or services are advertised or offered for sale, that the supplier or offeror has a limited quantity or amount of such goods or services for sale, and the supplier or offeror at the time of such advertisement or offer did in fact have or reasonably expected to have at least such quantity or amount for sale;

9. Making false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;

10. Misrepresenting that repairs, alterations, modifications, or services have been performed or parts installed;

11. Misrepresenting by the use of any written or documentary material that appears to be an invoice or bill for merchandise or services previously ordered;

12. Notwithstanding any other provision of law, using in any manner the words "wholesale," "wholesaler," "factory," or "manufacturer" in the supplier's name, or to describe the nature of the supplier's business, unless the supplier is actually engaged primarily in selling at wholesale or in manufacturing the goods or services advertised or offered for sale;

13. Using in any contract or lease any liquidated damage clause, penalty clause, or waiver of defense, or attempting to collect any liquidated damages or penalties under any clause, waiver, damages, or penalties that are void or unenforceable under any otherwise applicable laws of the Commonwealth, or under federal statutes or regulations;

13a. Failing to provide to a consumer, or failing to use or include in any written document or material provided to or executed by a consumer, in connection with a consumer transaction any statement, disclosure, notice, or other information however characterized when the supplier is required by 16 C.F.R. Part 433 to so provide, use, or include the statement, disclosure, notice, or other information in connection with the consumer transaction;

14. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction;

15. Violating any provision of § 3.2-6509, 3.2-6512, 3.2-6513, 3.2-6513.1, 3.2-6514, 3.2-6515, 3.2-6516,

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59 or 3.2-6519 is a violation of this chapter;

60 16. Failing to disclose all conditions, charges, or fees relating to:

61 a. The return of goods for refund, exchange, or credit. Such disclosure shall be by means of a sign
62 attached to the goods, or placed in a conspicuous public area of the premises of the supplier, so as to be
63 readily noticeable and readable by the person obtaining the goods from the supplier. If the supplier does not
64 permit a refund, exchange, or credit for return, he shall so state on a similar sign. The provisions of this
65 subdivision shall not apply to any retail merchant who has a policy of providing, for a period of not less than
66 20 days after date of purchase, a cash refund or credit to the purchaser's credit card account for the return of
67 defective, unused, or undamaged merchandise upon presentation of proof of purchase. In the case of
68 merchandise paid for by check, the purchase shall be treated as a cash purchase and any refund may be
69 delayed for a period of 10 banking days to allow for the check to clear. This subdivision does not apply to
70 sale merchandise that is obviously distressed, out of date, post season, or otherwise reduced for clearance; nor
71 does this subdivision apply to special order purchases where the purchaser has requested the supplier to order
72 merchandise of a specific or unusual size, color, or brand not ordinarily carried in the store or the store's
73 catalog; nor shall this subdivision apply in connection with a transaction for the sale or lease of motor
74 vehicles, farm tractors, or motorcycles as defined in § 46.2-100;

75 b. A layaway agreement. Such disclosure shall be furnished to the consumer (i) in writing at the time of
76 the layaway agreement, or (ii) by means of a sign placed in a conspicuous public area of the premises of the
77 supplier, so as to be readily noticeable and readable by the consumer, or (iii) on the bill of sale. Disclosure
78 shall include the conditions, charges, or fees in the event that a consumer breaches the agreement;

79 16a. Failing to provide written notice to a consumer of an existing open-end credit balance in excess of \$5
80 (i) on an account maintained by the supplier and (ii) resulting from such consumer's overpayment on such
81 account. Suppliers shall give consumers written notice of such credit balances within 60 days of receiving
82 overpayments. If the credit balance information is incorporated into statements of account furnished
83 consumers by suppliers within such 60-day period, no separate or additional notice is required;

84 17. If a supplier enters into a written agreement with a consumer to resolve a dispute that arises in
85 connection with a consumer transaction, failing to adhere to the terms and conditions of such an agreement;

86 18. Violating any provision of the Virginia Health Club Act, Chapter 24 (§ 59.1-294 et seq.);

87 19. Violating any provision of the Virginia Home Solicitation Sales Act, Chapter 2.1 (§ 59.1-21.1 et seq.);

88 20. Violating any provision of the Automobile Repair Facilities Act, Chapter 17.1 (§ 59.1-207.1 et seq.);

89 21. Violating any provision of the Virginia Lease-Purchase Agreement Act, Chapter 17.4 (§ 59.1-207.17
90 et seq.);

91 22. Violating any provision of the Prizes and Gifts Act, Chapter 31 (§ 59.1-415 et seq.);

92 23. Violating any provision of the Virginia Public Telephone Information Act, Chapter 32 (§ 59.1-424 et
93 seq.);

94 24. Violating any provision of § 54.1-1505;

95 25. Violating any provision of the Motor Vehicle Manufacturers' Warranty Adjustment Act, Chapter 17.6
96 (§ 59.1-207.34 et seq.);

97 26. Violating any provision of § 3.2-5627, relating to the pricing of merchandise;

98 27. Violating any provision of the Pay-Per-Call Services Act, Chapter 33 (§ 59.1-429 et seq.);

99 28. Violating any provision of the Extended Service Contract Act, Chapter 34 (§ 59.1-435 et seq.);

100 29. Violating any provision of the Virginia Membership Camping Act, Chapter 25 (§ 59.1-311 et seq.);

101 30. Violating any provision of the Comparison Price Advertising Act, Chapter 17.7 (§ 59.1-207.40 et
102 seq.);

103 31. Violating any provision of the Virginia Travel Club Act, Chapter 36 (§ 59.1-445 et seq.);

104 32. Violating any provision of §§ 46.2-1231 and 46.2-1233.1;

105 33. Violating any provision of Chapter 40 (§ 54.1-4000 et seq.) of Title 54.1;

106 34. Violating any provision of Chapter 10.1 (§ 58.1-1031 et seq.) of Title 58.1;

107 35. Using the consumer's social security number as the consumer's account number with the supplier, if
108 the consumer has requested in writing that the supplier use an alternate number not associated with the
109 consumer's social security number;

110 36. Violating any provision of Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2;

111 37. Violating any provision of § 8.01-40.2;

112 38. Violating any provision of Article 7 (§ 32.1-212 et seq.) of Chapter 6 of Title 32.1;

113 39. Violating any provision of Chapter 34.1 (§ 59.1-441.1 et seq.);

114 40. Violating any provision of Chapter 20 (§ 6.2-2000 et seq.) of Title 6.2;

115 41. Violating any provision of the Virginia Post-Disaster Anti-Price Gouging Act, Chapter 46 (§ 59.1-525
116 et seq.). For the purposes of this subdivision, "consumer transaction" has the same meaning as provided in
117 § 59.1-526;

118 42. Violating any provision of Chapter 47 (§ 59.1-530 et seq.);

119 43. Violating any provision of § 59.1-443.2;

120 44. Violating any provision of Chapter 48 (§ 59.1-533 et seq.);

- 121 45. Violating any provision of Chapter 25 (§ 6.2-2500 et seq.) of Title 6.2;
- 122 46. Violating the provisions of clause (i) of subsection B of § 54.1-1115;
- 123 47. Violating any provision of § 18.2-239;
- 124 48. Violating any provision of Chapter 26 (§ 59.1-336 et seq.);
- 125 49. Selling, offering for sale, or manufacturing for sale a children's product the supplier knows or has
- 126 reason to know was recalled by the U.S. Consumer Product Safety Commission. There is a rebuttable
- 127 presumption that a supplier has reason to know a children's product was recalled if notice of the recall has
- 128 been posted continuously at least 30 days before the sale, offer for sale, or manufacturing for sale on the
- 129 website of the U.S. Consumer Product Safety Commission. This prohibition does not apply to children's
- 130 products that are used, secondhand or "seconds";
- 131 50. Violating any provision of Chapter 44.1 (§ 59.1-518.1 et seq.);
- 132 51. Violating any provision of Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2;
- 133 52. Violating any provision of § 8.2-317.1;
- 134 53. Violating subsection A of § 9.1-149.1;
- 135 54. Selling, offering for sale, or using in the construction, remodeling, or repair of any residential dwelling
- 136 in the Commonwealth, any drywall that the supplier knows or has reason to know is defective drywall. This
- 137 subdivision shall not apply to the sale or offering for sale of any building or structure in which defective
- 138 drywall has been permanently installed or affixed;
- 139 55. Engaging in fraudulent or improper or dishonest conduct as defined in § 54.1-1118 while engaged in a
- 140 transaction that was initiated (i) during a declared state of emergency as defined in § 44-146.16 or (ii) to
- 141 repair damage resulting from the event that prompted the declaration of a state of emergency, regardless of
- 142 whether the supplier is licensed as a contractor in the Commonwealth pursuant to Chapter 11 (§ 54.1-1100 et
- 143 seq.) of Title 54.1;
- 144 56. Violating any provision of Chapter 33.1 (§ 59.1-434.1 et seq.);
- 145 57. Violating any provision of § 18.2-178, 18.2-178.1, or 18.2-200.1;
- 146 58. Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.). For the purposes of this subdivision,
- 147 "consumer transaction" also includes transactions involving an automatic renewal or continuous service offer
- 148 by a supplier to a small business, as those terms are defined in § 59.1-207.45;
- 149 59. Violating any provision of subsection E of § 32.1-126;
- 150 60. Violating any provision of § 54.1-111 relating to the unlicensed practice of a profession licensed under
- 151 Chapter 11 (§ 54.1-1100 et seq.) or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1;
- 152 61. Violating any provision of § 2.2-2001.5;
- 153 62. Violating any provision of Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1;
- 154 63. Violating any provision of § 6.2-312;
- 155 64. Violating any provision of Chapter 20.1 (§ 6.2-2026 et seq.) of Title 6.2;
- 156 65. Violating any provision of Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2;
- 157 66. Violating any provision of Chapter 54 (§ 59.1-586 et seq.);
- 158 67. Knowingly violating any provision of § 8.01-27.5;
- 159 68. ~~Failing to, in accordance with § 59.1-207.46, (i) make available a conspicuous online option to cancel~~
- 160 ~~a recurring purchase of a good or service or (ii) with respect to a free trial lasting more than 30 days, notify a~~
- 161 ~~consumer of his option to cancel such free trial within 30 days of the end of the trial period to avoid an~~
- 162 ~~obligation to pay for the goods or services~~ Violating any provision of Chapter 17.8 (§ 59.1-207.45 et seq.);
- 163 69. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
- 164 that contains a synthetic derivative of tetrahydrocannabinol. As used in this subdivision, "synthetic
- 165 derivative" means a chemical compound produced by man through a chemical transformation to turn a
- 166 compound into a different compound by adding or subtracting molecules to or from the original compound.
- 167 This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug
- 168 Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit
- 169 any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1;
- 170 70. Selling or offering for sale to a person younger than 21 years of age any substance intended for human
- 171 consumption, orally or by inhalation, that contains tetrahydrocannabinol. This subdivision shall not (i) apply
- 172 to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the
- 173 Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter
- 174 16 (§ 4.1-1600 et seq.) of Title 4.1;
- 175 71. Selling or offering for sale any substance intended for human consumption, orally or by inhalation,
- 176 that contains tetrahydrocannabinol, unless such substance is (i) contained in child-resistant packaging, as
- 177 defined in § 4.1-600; (ii) equipped with a label that states, in English and in a font no less than 1/16 of an
- 178 inch, (a) that the substance contains tetrahydrocannabinol and may not be sold to persons younger than 21
- 179 years of age, (b) all ingredients contained in the substance, (c) the amount of such substance that constitutes a
- 180 single serving, and (d) the total percentage and milligrams of tetrahydrocannabinol included in the substance
- 181 and the number of milligrams of tetrahydrocannabinol that are contained in each serving; and (iii)
- 182 accompanied by a certificate of analysis, produced by an independent laboratory that is accredited pursuant to

standard ISO/IEC 17025 of the International Organization of Standardization by a third-party accrediting body, that states the tetrahydrocannabinol concentration of the substance or the tetrahydrocannabinol concentration of the batch from which the substance originates. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.) or (ii) be construed to prohibit any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1;

72. Manufacturing, offering for sale at retail, or selling at retail an industrial hemp extract, as defined in § 3.2-5145.1, a food containing an industrial hemp extract, or a substance containing tetrahydrocannabinol that depicts or is in the shape of a human, animal, vehicle, or fruit;

73. Selling or offering for sale any substance intended for human consumption, orally or by inhalation, that contains tetrahydrocannabinol and, without authorization, bears, is packaged in a container or wrapper that bears, or is otherwise labeled to bear the trademark, trade name, famous mark as defined in 15 U.S.C. § 1125, or other identifying mark, imprint, or device, or any likeness thereof, of a manufacturer, processor, packer, or distributor of a product intended for human consumption other than the manufacturer, processor, packer, or distributor that did in fact so manufacture, process, pack, or distribute such substance;

74. Selling or offering for sale a topical hemp product, as defined in § 3.2-4112, that does not include a label stating that the product is not intended for human consumption. This subdivision shall not (i) apply to products that are approved for marketing by the U.S. Food and Drug Administration and scheduled in the Drug Control Act (§ 54.1-3400 et seq.), (ii) be construed to prohibit any conduct permitted under Chapter 16 (§ 4.1-1600 et seq.) of Title 4.1, or (iii) apply to topical hemp products that were manufactured prior to July 1, 2023, provided that the person provides documentation of the date of manufacture if requested;

75. Violating any provision of § 59.1-466.8;

76. Violating subsection F of § 36-96.3:1;

77. Selling or offering for sale (i) any kratom product to a person younger than 21 years of age or (ii) any kratom product that does not include a label listing all ingredients and with the following guidance: "This product may be harmful to your health, has not been evaluated by the FDA, and is not intended to diagnose, treat, cure, or prevent any disease." As used in this subdivision, "kratom" means any part of the leaf of the plant *Mitragyna speciosa* or any extract thereof;

78. Advertising of any ignition interlock system in Virginia by an ignition interlock vendor not approved by the Commission on the Virginia Alcohol Safety Action Program to operate in Virginia; targeted advertising of any ignition interlock system to a person before determination of guilt; and any advertising, whether before or after determination of guilt, without a conspicuous statement that such advertisement is not affiliated with any government agency. For purposes of this subdivision, "ignition interlock system" has the same meaning as ascribed to that term in § 18.2-270.1 and "targeted advertising" has the same meaning ascribed to that term in § 59.1-575 and includes direct mailings to an individual. This provision shall not apply to ignition interlock service vendor ads, pamphlets, or kiosk advertisements approved by the Commission on the Virginia Alcohol Safety Action Program and provided at a Commission-approved location;

79. Failing to disclose the total cost of a good or continuous service, as defined in § 59.1-207.45, to a consumer, including any mandatory fees or charges, prior to entering into an agreement for the sale of any such good or provision of any such continuous service;

80. Violating any provision of the Unfair Real Estate Service Agreement Act (§ 55.1-3200 et seq.);

81. Selling or offering for sale services as a professional mold remediator to be performed upon any residential dwelling without holding a mold remediation certification from a nationally or internationally recognized certifying body for mold remediation, and failing to comply with (i) the U.S. Environmental Protection Agency's publication on Mold Remediation in Schools and Commercial Buildings, as revised; (ii) the ANSI/IICRC S520 Standard for Professional Mold Remediation, as revised; or (iii) any other equivalent ANSI-accredited mold remediation standard, when conducting or offering to conduct mold remediation in the Commonwealth;

82. Willfully violating any provision of § 59.1-444.4;

83. Violating any provision of Chapter 23.2 (§ 59.1-293.10 et seq.);

84. Selling any food that is required by the FDA to have a nutrition label that does not meet the requirements of 21 C.F.R. Part 101;

85. Obtaining, disclosing, selling, or disseminating any personally identifiable reproductive or sexual health information without the consent of the consumer;

86. Violating any provision of Chapter 58 (§ 59.1-607 et seq.); and

87. (Effective July 1, 2026) Violating any provision of the Medical Debt Protection Act (§ 59.1-611 et seq.).

B. Nothing in this section shall be construed to invalidate or make unenforceable any contract or lease solely by reason of the failure of such contract or lease to comply with any other law of the Commonwealth or any federal statute or regulation, to the extent such other law, statute, or regulation provides that a violation of such law, statute, or regulation shall not invalidate or make unenforceable such contract or lease.

§ 59.1-207.45. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Automatic renewal" 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 of more than one month.

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

1. That the subscription or purchasing agreement will continue until the consumer cancels;
2. The description of the cancellation policy that applies to the offer, *including the information necessary to find the simple cancellation mechanism as described in subsection B of § 59.1-207.46;*

3. The recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;

4. *Each deadline, by date or frequency, by which the consumer must act to prevent or stop the recurring charges;*

5. The length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer; and

~~5-6.~~ The minimum purchase obligation, if any.

"Clear and conspicuous" or "clearly and conspicuously" means *readily noticeable and readily understandable by ordinary consumers, including in the following ways:*

1. *For a visual disclosure, "clear and conspicuous" means in larger type than the surrounding text, or 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;*

~~In the case of 2.~~ *For an audio disclosure, "clear and conspicuous" or "clearly and conspicuously" means in a volume and cadence sufficient to be readily audible and understandable;*

3. *For any communication using an interactive electronic platform, such as a website or mobile application, "clear and conspicuous" means that the disclosure is unavoidable by the consumer, uses diction and syntax understandable to ordinary consumers, and appears in each language that would be reasonably expected to be used by ordinary consumers; and*

4. *For print publications, "clear and conspicuous" means that the disclosure is presented in readable type and in plain language that is readily noticeable and readily understandable by an ordinary consumer.*

For a disclosure to be considered "clear and conspicuous," it cannot be contradicted or mitigated by, or inconsistent with, anything else in the communication to consumers. If a seller's representations or sales practices target a specific audience of consumers, such as individuals of a certain age or background, requirements for comprehension by ordinary consumers shall be satisfied if met both for the general audience of consumers and separately for the specific audience of consumers targeted by the seller.

"Consumer" means (i) any individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes or (ii) any small business that seeks or acquires, by purchase or lease, any goods, services, money, or credit for business purposes.

"Continuous service" means a plan or arrangement in which a subscription or purchasing agreement continues until the consumer cancels the service.

"Seller" means any person selling, offering, charging for, or otherwise marketing a good or service with automatic renewal or continuous service features.

"Small business" means a business that is at least 51 percent independently owned and controlled by one or more individuals, or in the case of a cooperative association organized pursuant to Chapter 3 (§ 13.1-301 et seq.) of Title 13.1 as a nonstock corporation, is at least 51 percent independently controlled by one or more members, who are U.S. citizens or legal resident aliens and, together with affiliates, has 250 or fewer employees or annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners or members shall control both the management and daily business operations of the small business.

~~"Supplier" has the same meaning ascribed thereto in § 59.1-198.~~

§ 59.1-207.46. Making automatic renewal or continuous service offer to consumer; affirmative consent required; disclosures; prohibited conduct.

A. No ~~supplier~~ seller making an automatic renewal or continuous service offer to a consumer in the Commonwealth shall do any of the following:

1. Prior to the completion of the initial order for the automatic renewal or continuous service, fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before the consumer becomes obligated on the automatic renewal or continuous service offer 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.

2. Prior to the completion of the initial order for the automatic renewal or continuous service, charge the consumer's credit or debit card or the consumer's account with a third party for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms.

307 3. Fail to provide an acknowledgment that includes the automatic renewal or continuous service offer
308 terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being
309 retained by the consumer. If the offer includes a free trial, the ~~supplier~~ seller shall also disclose in the
310 acknowledgment how to cancel the free trial before the consumer pays or becomes obligated to pay for the
311 goods or services.

312 B. A ~~supplier~~ seller making automatic renewal or continuous service offers shall provide a ~~toll-free~~
313 ~~telephone number, an electronic mail address, a postal address only when the supplier directly bills the~~
314 ~~consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation mechanism that shall~~
315 ~~be described in the acknowledgment specified in subdivision A 3. Each supplier making automatic renewal or~~
316 ~~continuous service offers through an online website shall make available a conspicuous online option to~~
317 ~~cancel a recurring purchase of a good or service meets the standard for "clear and conspicuous," as defined~~
318 ~~in § 59.1-207.45, regardless of the medium in which it is presented and is easy for consumers to find.~~
319 *Regarding providing such simple cancellation mechanism, the following provisions shall apply:*

320 1. The cancellation mechanism shall be at least as easy to use as the mechanism the consumer used to
321 initiate the automatic renewal or continuous service offer.

322 2. A seller shall provide a cancellation mechanism through, at a minimum, each of the methods by which
323 a consumer may initiate an automatic renewal or continuous service offer, except for any such offer initiated
324 in person, for which the provisions of subdivision 6 shall apply.

325 3. Compliance with the disclosure requirements of 16 C.F.R. §§ 425.4(a)(4) and 425.6 shall not discharge
326 a seller's obligations under this chapter.

327 4. No consumer shall be required to interact with a live or virtual agent or representative to effectuate
328 cancellation unless the seller only initiates automatic renewal or continuous service offers through
329 interacting with a live or virtual agent or representative.

330 5. For cancellation by telephone call, the seller shall promptly effectuate cancellation requested by a
331 consumer via a telephone number that is answered or records messages, made available during normal
332 business hours, and not more costly to use than the method used by the consumer to initiate the automatic
333 renewal or continuous service offer.

334 6. For cancellation of an automatic renewal or continuous service offer that was initiated in person, the
335 seller shall offer a simple cancellation mechanism through an interactive electronic medium, such as a
336 website or mobile application, or by telephone call.

337 7. If a seller offers cancellation by telephone call, the seller shall not impose any cost to the consumer for
338 the cancellation call.

339 8. For cancellation of an automatic renewal or continuous service offer of a print publication that was
340 initiated in person, by pamphlet, or by mail, the seller shall offer a simple cancellation method through an
341 interactive electronic medium, such as a website or mobile application, or by telephone.

342 C. In the case of a material change in the terms of the automatic renewal or continuous service offer that
343 has been accepted by a consumer in the Commonwealth, the ~~supplier~~ seller shall, prior to implementation of
344 the material change, provide the consumer with a clear and conspicuous notice of the material change and
345 provide information regarding how to cancel in a manner that is capable of being retained by the consumer.

346 D. A ~~supplier~~ seller making automatic renewal or continuous service offers that include a free trial lasting
347 more than 30 days shall, within 30 days of the end of any such free trial, notify the consumer of his option to
348 cancel the free trial before the end of the trial period to avoid an obligation to pay for the goods or services.

349 E. A ~~supplier~~ seller making automatic renewal or continuous service offers that will automatically renew
350 after a period of more than 30 days and extend the automatic renewal or continuous service offer for a period
351 of more than 12 months shall notify the consumer of his option to cancel the automatic renewal or continuous
352 service offer no less than 30 days and no more than 60 days before the cancellation deadline or the end of the
353 current contract term. Such notice shall conspicuously disclose (i) that the automatic renewal or continuous
354 service offer will automatically renew unless the consumer cancels, (ii) the date by which the consumer must
355 cancel to avoid automatic renewal or continuous service, (iii) the method by which the consumer may cancel,
356 and (iv) a copy of the automatic renewal or continuous service offer provisions.

357 F. Each disclosure required under this chapter shall independently meet the standard for "clear and
358 conspicuous," as defined in § 59.1-207.45, regardless of the medium in which it is presented.

359 **§ 59.1-207.47. When goods, wares, merchandise, or products deemed a gift.**

360 In any case in which a ~~supplier~~ seller sends any goods, wares, merchandise, or products to a consumer
361 under a continuous service agreement or automatic renewal of a purchase without first obtaining the
362 consumer's affirmative consent as described in § 59.1-207.46, the goods, wares, merchandise, or products
363 shall for all purposes be deemed an unconditional gift to the consumer, who may use or dispose of the same
364 in any manner he sees fit without any obligation whatsoever on the consumer's part to the ~~supplier~~ seller,
365 including any obligation or responsibility for shipping any goods, wares, merchandise, or products to the
366 ~~supplier~~ seller.

367 **§ 59.1-207.48. Exemptions.**

368 This chapter shall not apply to:

1. Any service provided by a ~~supplier~~ *seller* or its affiliate where either the ~~supplier~~ *seller* or its affiliate is doing business pursuant to a franchise issued by a political subdivision of the Commonwealth or a license, franchise, certificate, or other authorization issued by the State Corporation Commission to a public service company or public utility pursuant to Title 56;

2. Any service provided by a ~~supplier~~ *seller* or its affiliate where either the ~~supplier~~ *seller* or its affiliate is regulated by the State Corporation Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission;

3. ~~Alarm company operators that are regulated pursuant to § 15.2-911;~~

4. A bank, bank holding company, or the subsidiary or affiliate of either, or a credit union or other financial institution, licensed under federal or state law; or

5. ~~Any home protection company regulated by the State Corporation Commission pursuant to Chapter 26 (§ 38.2-2600 et seq.) of Title 38.2;~~

6. ~~Any home service contract provider regulated by the Department of Agriculture and Consumer Services pursuant to Chapter 33.1 (§ 59.1-434.1 et seq.);~~

7. ~~Any extended service contract provider regulated by the Department of Agriculture and Consumer Services pursuant to Chapter 34 (§ 59.1-435 et seq.) or its affiliates;~~

8. 4. Any insurer or entity regulated under Title 38.2 or an affiliate of such insurer or entity; or

9. ~~Any health club registered pursuant to the Virginia Health Club Act (59.1-294 et seq.).~~

§ 59.1-207.49. Enforcement; penalties.

Any violation of this chapter shall constitute a prohibited practice under the provisions of § 59.1-200 and shall be subject to the enforcement provisions of the Virginia Consumer Protection Act (§ 59.1-196 et seq.). However, if a supplier makes a good faith effort to comply with the requirements of this chapter, the supplier shall not be subject to either a civil penalty under § 59.1-206 or damages under § 59.1-204.