



LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE

SACRAMENTO LEGISLATIVE OFFICE

GEORGE GASCÓN • District Attorney
JOSEPH F. INIGUEZ • Chief Deputy District Attorney

DANIEL FELIZZATTO • Legislative Advocate
TAMAR TOKAT • Legislative Advocate

May 14, 2024

The Honorable Pilar Schiavo
California State Assembly
1021 O Street, Suite 4140
Sacramento, CA 95814

ASSEMBLY BILL 2863 (SCHIAVO) SUPPORT

Dear Assembly Member Schiavo:

The Los Angeles County District Attorney's Office is pleased to support Assembly Bill 2863.

The two most common complaints from consumers with respect to automatically renewing products or services is that they did not realize their purchase was an automatic renewal subscription and the subscription is difficult (and sometimes nearly impossible) to cancel.

While automatic renewal subscriptions can be useful and convenient for consumers, they have frequently become an anti-consumer business practice. Far too many subscription services have become almost impossible to cancel without maneuvering through a labyrinth of steps that are seemingly designed to frustrate the subscriber's desire to cancel a subscription they no longer want or use.

As automatic renewal agreements have become more and more common the sheer number of automatic monthly and annual payments can cause consumers to easily lose track of all the various goods and services they are automatically paying for. This problem has become so widespread that it has spawned a new industry of companies who, for a fee, will compile a list of a consumer's subscriptions and cancel those the consumer no longer wants or use.

Although California has one of the most stringent auto renewal laws (ARL) in the nation, there still are loopholes in our ARL being exploited by businesses. In order to strengthen the consumer protections in California's ARL, AB 2863 would make the following changes:

1. Requires clearer consent practices. A business that seeks to have a consumer enter into an automatic renewal agreement will be required to obtain affirmative consent for that automatic renewal separately from any other part of the contract. The consent is obtained by an express act by the consumer through a checkbox, signature, express consent button, or other substantially similar mechanism that the consumer must affirmatively select.

May 14, 2024
Page Two

2. Creates a “click to quit” requirement. Essentially, businesses will be required to make it just as easy for a consumer to unsubscribe as it was to subscribe in the first place. Consumers would no longer have to follow multiple links or take extra steps to cancel an automatic renewal.
3. Requires notifications related to the amount and range of costs the consumer may be charged. Specifically, the business will need to provide a notice that includes the amount or range of costs the consumer will be charged. In addition they need to include the frequency of those charges unless the consumer cancels the automatic renewal.
4. Limits tactics businesses can use if cancellation is handled over the telephone. In the event a business provides a toll-free number for cancellations, that business is required to answer calls promptly during normal business hours. In addition, the business is prohibited from obstructing or delaying the consumer’s request to cancel. Finally, the cancellation must take effect immediately.

Given the pervasiveness of auto renewal subscription in our daily lives, California law should be amended to ensure California consumers are not forced to deal with unnecessary obstacles placed by businesses that are designed to impede a consumer's timely and efficient cancellation of subscriptions they no longer want, use or can afford.

AB 2863 will provide much needed protections for consumers with minimal negative impact on subscription-based businesses. For this reason our Office is pleased to support AB 2863.

If you have any questions or need additional information, please feel free to contact Daniel Felizzatto in my Sacramento Legislative Office at (916) 442-0668.

Very truly yours,



GEORGE GASCÓN
District Attorney

cc: California Autor Renewal Taskforce