

AARON M. FREY
ATTORNEY GENERAL



STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

TEL: (207) 626-8800
TTY USERS CALL MAINE RELAY 711

REGIONAL OFFICES
84 HARLOW ST. 2ND FLOOR
BANGOR, MAINE 04401
TEL: (207) 941-3070
FAX: (207) 941-3075

125 PRESUMPSHOT ST., SUITE 26
PORTLAND, MAINE 04103
TEL: (207) 822-0260
FAX: (207) 822-0259

14 ACCESS HIGHWAY, STE. 1
CARIBOU, MAINE 04736
TEL: (207) 496-3792
FAX: (207) 496-3291

April 24, 2025

Hon. Chip Curry, Senate Chair
Hon. Traci Gere, House Chair
Committee on Housing and Economic Development
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

RE: LD 1642, *An Act to Protect Maine Consumers by Simplifying Subscription Cancellations*

Dear Senator Curry and Representative Gere:

I write in support of LD 1642, *An Act to Protect Maine Consumers by Simplifying Subscription Cancellations*, which would clarify and improve the consumer protections that currently exist under Maine law with respect to automatically renewing subscriptions for digital media products. The bill would require the seller of such a subscription to obtain the express consent of a consumer prior to enrollment; to provide a method of cancellation that is the same as the method used by the consumer to enroll; and to disclose information regarding the timing and frequency of charges and refund policies. Additionally, for those subscriptions that renew after a period of 12 months or more, the bill clarifies that the seller must comply with both the initial express consent and disclosure requirements and also must provide notice 30-60 days before the cancellation deadline for the upcoming renewal. This gives the consumer an opportunity to cancel before the subscription is renewed.

Automatic renewals, without effective disclosures and opportunities to cancel, are inherently problematic, in that they can lock consumers into potentially perpetual financial obligations without their informed consent. Although some consumers might find automatic renewals convenient, they nonetheless provide opportunities for unfair, coercive, oppressive, and deceptive business practices harmful to consumers. This bill will provide additional and important protections for consumers.

I respectfully make the following recommendations for revisions to the bill. First, in Section 4, I recommend including language that the cancellation deadline may not be set more than a certain number of days prior to the end of the expiring term (for example, 30 days). Alternatively, Section 4 could tie the timing of the notice obligation to the renewal date rather than a cancellation deadline. This will prevent the seller from setting a deadline to avoid renewal

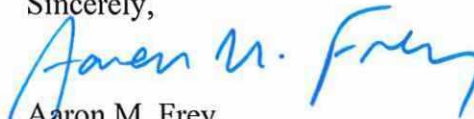
that is early in the subscription term, which is less likely to lead to an informed choice by the consumer. As presently drafted, the bill would theoretically permit a seller to set a cancellation deadline as early as 30 days after the initial enrollment.

Second, in Section 5 of the bill, I recommend striking “section” and replacing it with “chapter.” This is because the automatic subscription law is its own chapter consisting of two sections. I also recommend striking the phrase “damages or penalties” and replacing it with “remedies.” The Maine Unfair Trade Practices Act (UTPA) authorizes remedies beyond damages and penalties, and this change will ensure that the full scope of relief under the UTPA will be available.

Finally, in Section 6 of the bill, I recommend striking the provision relating to enforcement by the Attorney General. This provision is unnecessary because assuming my recommendation above is accepted, Section 5 declares that a violation of the automatic subscription renewal law is a violation of the UTPA, and my office has authority to enforce the UTPA.

Thank you for your consideration.

Sincerely,



Aaron M. Frey
Attorney General