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## SENATE BILL 5207

State of Washington 69th Legislature 2025 Regular Session

By Senator MacEwen

Prefiled 01/09/25.

- 1 AN ACT Relating to requiring refunds to consumers for early 2 cancellation of term-based subscriptions to electronic media
- 3 services; and adding a new chapter to Title 19 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
  - (1) "Automatic renewal" means recurring monetary charges for continuing provision of electronic media according to the terms of the agreement or contract between the consumer and the electronic media service without recurring affirmative consent or action by the consumer, otherwise known as a negative option.
- 13 (2) "Cancellation" means the termination of a subscription by any party thereto.
- 15 (3) "Consumer" means any person who has entered into an agreement 16 or contract with an electronic media service as herein defined. 17 "Consumer" does not include commercial businesses, government, or 18 nongovernmental organizations.
- 19 (4) "Electronic media" means any combination of intangible music, 20 news, software, games, or other intangible forms of information or 21 entertainment.

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1 (5) "Electronic media service" means any commercial service that provides to consumers in exchange for money any combination of intangible music, news, software, games, or other intangible forms of 3 information or entertainment. 4

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- (6) "Subscription" means an agreement or contract between a 5 6 consumer and an electronic media service, the primary consideration 7 of which is the provision of electronic media in exchange for money, for a set term of time or on a regularly recurring periodic basis 8 9 such as month-to-month.
- (7) "Refund" means a return to a consumer of some funds 10 11 previously paid by a consumer to an electronic media service under a 12 subscription.
- (8) "Refund schedule" means the formula or basis on which an 13 electronic media service calculates amounts due back to a consumer 14 upon cancellation of a subscription, based on the amounts paid by the 15 16 consumer up to cancellation and upon charges agreed to by the 17 consumer.
- Sec. 2. An electronic media service is in 18 NEW SECTION. 19 violation of this chapter when it fails or refuses to issue a 20 subscription refund to a consumer as prescribed by this chapter.
- 21 NEW SECTION. Sec. 3. An electronic media service shall disburse 22 any refund due to a consumer upon cancellation of a subscription. 23 Such refund must be calculated on a pro rata basis of time in which 24 the subscription was in effect until cancellation. Any refund due must be based on the amounts paid up to cancellation and upon charges 25 26 agreed to by the consumer.
- 27 Sec. 4. An electronic media service is NEW SECTION. 28 violation of this chapter when it fails to do any of the following:
- 29 (1) Disclose to a consumer, upon or before initiating a subscription, any applicable refund schedule 30 including anv cancellation fees; and 31
- (2) Disburse a subscription refund due to a consumer within a 32 33 reasonable time, not to exceed six months from the date of cancellation. 34
- 35 <u>NEW SECTION.</u> Sec. 5. This chapter does not limit an electronic media service from offering, nor a consumer from electing, automatic 36

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- 1 renewal of any subscription. This chapter does not prohibit a
- 2 consumer from waiving a refund due in exchange for other
- 3 consideration.
- MEW SECTION. Sec. 6. This chapter does not serve as the basis for a private right of action under this chapter or any other law.
- Sec. 7. (1) The legislature finds that the 6 NEW SECTION. practices covered by this chapter are matters vitally affecting the 7 public interest for the purpose of applying the consumer protection 8 9 act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an 10 unfair or deceptive act in trade or commerce and an unfair method of 11 12 competition for the purpose of applying the consumer protection act, 13 chapter 19.86 RCW.
- 14 (2) Only the attorney general may bring an action, in the name of 15 the state, or as parens patriae on behalf of persons residing in the 16 state, to enforce this chapter.
- NEW SECTION. Sec. 8. Sections 1 through 7 of this act constitute a new chapter in Title 19 RCW.

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