

119TH CONGRESS
1ST SESSION

S. _____

To increase consumer protection with respect to negative options in all media,
including on the internet, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCHATZ introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To increase consumer protection with respect to negative
options in all media, including on the internet, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Unsubscribe Act of
5 2025”.

6 **SEC. 2. INCREASED CONSUMER PROTECTION WITH RE-**
7 **SPECT TO NEGATIVE OPTIONS.**

8 (a) DISCLOSURE OF NEGATIVE OPTIONS.—It shall be
9 unlawful for any merchant of record to charge or attempt
10 to charge a credit card, debit card, bank account, or other

1 financial account of any consumer, or otherwise receive
2 payment from any consumer, through a negative option,
3 unless the merchant of record clearly and conspicuously
4 discloses all material terms of the contract involved before
5 receiving payment or charging the consumer, or otherwise
6 receiving payment, through such negative option.

7 (b) EXPRESS INFORMED CONSENT FOR NEGATIVE
8 OPTIONS.—

9 (1) REQUIREMENT.—It shall be unlawful for
10 any merchant of record to charge or attempt to
11 charge a credit card, debit card, bank account, or
12 other financial account of any consumer, or other-
13 wise receive payment from any consumer, through a
14 negative option, unless the merchant of record ob-
15 tains the express informed consent of the consumer
16 before receiving payment or charging the consumer,
17 or otherwise receiving payment, through such nega-
18 tive option.

19 (2) DURATION.—A merchant of record shall
20 keep or maintain verification of the express informed
21 consent obtained pursuant to paragraph (1) for not
22 fewer than 3 years, unless such merchant of record
23 demonstrates by a preponderance of the evidence
24 that the merchant of record uses processes that en-

1 sure a consumer may not technologically complete a
2 transaction without such express informed consent.

3 (c) TERM LIMITATION FOR NEGATIVE OPTION CON-
4 TRACTS.—After the expiration of a preliminary period, it
5 shall be unlawful for any merchant of record to automati-
6 cally renew or otherwise continue a negative option con-
7 tract with any consumer for a period that is greater than
8 the length of the preliminary period, unless such merchant
9 of record, at the time of such expiration, obtains the ex-
10 press informed consent of the consumer to renew or other-
11 wise continue such negative option contract.

12 (d) CANCELLATION OF NEGATIVE OPTION CON-
13 TRACTS.—

14 (1) ONLINE MERCHANTS.—In the case of a
15 negative option contract that is entered into elec-
16 tronically, it shall be unlawful for any merchant of
17 record to enter into such negative option contract
18 with any consumer unless such merchant of record
19 provides to the consumer a simple mechanism, in-
20 cluding a direct link to an electronic form, that en-
21 ables the consumer to submit a request to cancel
22 such negative option contract without requiring the
23 consumer to take additional steps by any means
24 other than electronically.

1 (2) OTHER MERCHANTS.—In the case of a neg-
2 ative option contract that is entered into through
3 means other than electronically, it shall be unlawful
4 for any merchant of record to enter into such nega-
5 tive option contract with any consumer unless such
6 negative option contract provides the consumer with
7 a simple mechanism for cancellation, in the same
8 manner, and by the same means, as such negative
9 option contract was entered into, or, if not prac-
10 ticable, through some other simple mechanism for
11 cancellation.

12 (e) REQUIREMENTS FOR FREE-TO-PAY CONVERSION
13 CONTRACTS.—It shall be unlawful for any merchant of
14 record to charge or attempt to charge a credit card, debit
15 card, bank account, or other financial account of any con-
16 sumer for any good or service sold under a free-to-pay con-
17 version contract, unless each of the following is met:

18 (1) Before completing the financial transaction,
19 or otherwise receiving payment, the merchant of
20 record provides the consumer with a notification of
21 the terms of the negative option contract and ob-
22 tains the express informed consent of the consumer
23 to such terms, including the following terms:

1 (A) For an introductory period, the con-
2 sumer will receive the good or service at no cost
3 or for a discounted cost.

4 (B) The amount the consumer will be
5 charged or otherwise required to pay for the in-
6 troductory period.

7 (C) The amount the consumer will be
8 charged or otherwise required to pay, on a re-
9 curring basis, starting with the first financial
10 transaction after the introductory period.

11 (D) The total cost (or range of costs) the
12 consumer will be charged or otherwise required
13 to pay through the entire term of such contract
14 (if such term is less than 12 months) or cost
15 information that enables the consumer to deter-
16 mine the total cost for the subsequent 12
17 month period, to the extent known.

18 (2) Before the first charge, payment, or price
19 increase after the introductory period, the merchant
20 of record provides notification to the consumer about
21 the upcoming charge, payment, or increase and pro-
22 vides the consumer with—

23 (A) the terms of the negative option con-
24 tract, including the length of time required for

1 the merchant of record to complete any can-
2 cellation request; and

3 (B) direct access to information about the
4 simple mechanism for cancellation.

5 (f) OTHER NOTIFICATION REQUIREMENTS FOR NEG-
6 ATIVE OPTION CONTRACTS.—

7 (1) GENERAL NOTIFICATION AND ACCESS.—

8 With respect to any negative option contract entered
9 into by a merchant of record and a consumer, the
10 merchant of record, at regular intervals as deter-
11 mined by the Commission (but not less frequently
12 than annually) while such negative option contract
13 remains in effect, shall provide the consumer with—

14 (A) a notification of the terms of such neg-
15 ative option contract; and

16 (B) direct access to information about the
17 simple mechanism for cancellation.

18 (2) ADDITIONAL NOTIFICATION AND ACCESS.—

19 If a negative option contract specifies a period of
20 time during which the merchant of record shall com-
21 plete a cancellation request, not fewer than 2 but
22 not more than 7 days before the last day on which
23 the consumer may cancel such negative option con-
24 tract without incurring additional charges, the mer-

1 chant of record shall provide the consumer with the
2 notification and access required by paragraph (1).

3 **SEC. 3. ENFORCEMENT.**

4 (a) ENFORCEMENT BY THE FEDERAL TRADE COM-
5 MISSION.—

6 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
7 TICES.—A violation of this Act or a regulation pro-
8 mulgated thereunder shall be treated as a violation
9 of a rule defining an unfair or deceptive act or prac-
10 tice under section 18(a)(1)(B) of the Federal Trade
11 Commission Act (15 U.S.C. 57a(a)(1)(B)).

12 (2) POWERS OF THE COMMISSION.—

13 (A) IN GENERAL.—The Commission shall
14 enforce this Act in the same manner, by the
15 same means, and with the same jurisdiction,
16 powers, and duties as though all applicable
17 terms and provisions of the Federal Trade
18 Commission Act (15 U.S.C. 41 et seq.) were in-
19 corporated into and made a part of this Act.

20 (B) PRIVILEGES AND IMMUNITIES.—Any
21 person who violates this Act or a regulation
22 promulgated thereunder shall be subject to the
23 penalties and entitled to the privileges and im-
24 munities provided in the Federal Trade Com-
25 mission Act (15 U.S.C. 41 et seq.).

1 (C) AUTHORITY PRESERVED.—Nothing in
2 this Act shall be construed to limit the author-
3 ity of the Commission under any other provi-
4 sion of law.

5 (D) RULEMAKING.—The Commission shall
6 promulgate in accordance with section 553 of
7 title 5, United States Code, such rules as may
8 be necessary to carry out this Act.

9 (b) ENFORCEMENT BY STATES.—

10 (1) IN GENERAL.—If the attorney general of a
11 State, or an official or agency of a State, has reason
12 to believe that an interest of the residents of the
13 State has been or is being threatened or adversely
14 affected by a practice that violates this Act, the
15 State may bring a civil action on behalf of the resi-
16 dents of the State in an appropriate district court of
17 the United States to obtain appropriate relief.

18 (2) RIGHTS OF THE COMMISSION.—

19 (A) NOTICE TO THE COMMISSION.—

20 (i) IN GENERAL.—Except as provided
21 in clause (iii), an attorney general, official,
22 or agency of a State, before initiating a
23 civil action under paragraph (1), shall pro-
24 vide a written notice to the Commission

1 that the attorney general, official, or agen-
2 cy intends to bring such civil action.

3 (ii) CONTENTS.—The notice required
4 by clause (i) shall include a copy of the
5 complaint to be filed to initiate the civil ac-
6 tion.

7 (iii) EXCEPTION.—If it is not feasible
8 for an attorney general, official, or agency
9 of a State to provide the notice required by
10 clause (i) before initiating a civil action
11 under paragraph (1), the attorney general,
12 official, or agency shall provide such notice
13 to the Commission immediately upon insti-
14 tuting the civil action.

15 (B) INTERVENTION BY THE COMMIS-
16 SION.—The Commission may—

17 (i) intervene in any civil action
18 brought by an attorney general, official, or
19 agency of a State under paragraph (1);
20 and

21 (ii) upon intervening—

22 (I) be heard on all matters aris-
23 ing in the civil action; and

24 (II) appeal a decision in the civil
25 action.

1 (C) LIMITATION ON STATE ACTION WHILE
2 FEDERAL ACTION IS PENDING.—If the Commis-
3 sion or the Attorney General of the United
4 States has instituted a civil action for violation
5 of this Act (referred to in this subparagraph as
6 the “Federal action”), no State attorney gen-
7 eral, official, or agency may bring an action
8 under paragraph (1) during the pendency of the
9 Federal action against any defendant named in
10 the complaint in the Federal action for any vio-
11 lation of such Act alleged in such complaint.

12 (3) RULE OF CONSTRUCTION.—Nothing in this
13 subsection may be construed to prevent an attorney
14 general, official, or agency of a State from exercising
15 the powers conferred on the attorney general, offi-
16 cial, or agency by the laws of the State to conduct
17 investigations, to administer oaths or affirmations,
18 or to compel the attendance of witnesses or the pro-
19 duction of documentary or other evidence.

20 **SEC. 4. PREEMPTION OF DIRECTLY CONFLICTING STATE**
21 **LAWS.**

22 (a) IN GENERAL.—Nothing in this Act may be con-
23 strued to preempt, displace, or supplant any State law,
24 except to the extent that a provision of State law conflicts

1 with a provision of this Act, and then only to the extent
2 of the conflict.

3 (b) GREATER PROTECTION UNDER STATE LAW.—

4 For purposes of this section, a provision of State law does
5 not conflict with a provision of this Act if such provision
6 of State law provides additional protections to consumers
7 protected under this Act.

8 (c) CONFLICTING TIME FRAMES.—Any difference be-

9 tween Federal and State law in the time frame in which
10 a requirement imposed on a person shall be met shall be
11 considered a conflict for purposes of subsection (a).

12 **SEC. 5. DEFINITIONS.**

13 In this Act:

14 (1) AUTOMATIC RENEWAL CONTRACT.—The

15 term “automatic renewal contract” means a contract
16 between any merchant of record and any consumer
17 for the sale of goods or services that is automatically
18 renewed after a preliminary period, unless the con-
19 sumer instructs otherwise.

20 (2) COMMISSION.—The term “Commission”
21 means the Federal Trade Commission.

22 (3) CONTINUITY PLAN CONTRACT.—The term
23 “continuity plan contract” means a contract between
24 any merchant of record and any consumer under
25 which the consumer agrees to pay for periodic ship-

1 ments of goods or the provision of services, unless
2 the consumer instructs otherwise.

3 (4) EXPRESS INFORMED CONSENT.—

4 (A) IN GENERAL.—The term “express in-
5 formed consent” means, with respect to an
6 offer or agreement for the sale of goods or serv-
7 ices that includes a negative option, an affirma-
8 tive action taken by a consumer, including
9 clicking on a confirmation button or checking a
10 box, that—

11 (i) indicates the unambiguous consent
12 of the consumer to the negative option;
13 and

14 (ii) is separate and apart from any ac-
15 tion taken by the consumer to indicate the
16 initial consent of the consumer to all of the
17 material terms of the offer or agreement
18 (including to be charged for the prelimi-
19 nary period), but may occur at the same
20 time as such initial consent.

21 (B) EXCLUSIONS.—The term “express in-
22 formed consent” shall not include—

23 (i) consent that is inferred through
24 the inactivity or silence of a consumer or
25 the use of pre-checked boxes with respect

1 to an initial charge or any recurring
2 charge; or

3 (ii) consent obtained through a user
4 interface designed or manipulated to have
5 the substantial effect of subverting or im-
6 pairing user autonomy, decision-making, or
7 choice.

8 (5) FREE-TO-PAY CONVERSION CONTRACT.—

9 The term “free-to-pay conversion contract” means a
10 contract for the sale of goods or services between
11 any merchant of record and any consumer that in-
12 cludes an introductory period.

13 (6) INTRODUCTORY PERIOD.—The term “intro-
14 ductory period” means a preliminary period of a
15 contract for the sale of goods or services where—

16 (A) during such period, the consumer re-
17 ceives a good or service at no charge or for a
18 discounted cost; and

19 (B) at the expiration of such period, the
20 amount the consumer will be charged or other-
21 wise be required to pay for the good or service
22 is increased.

23 (7) MERCHANT OF RECORD.—The term “mer-
24 chant of record” means a person who enters into a
25 financial contract with a consumer.

1 (8) NEGATIVE OPTION.—The term “negative
2 option” means a provision of an offer or agreement
3 for the sale of goods or services under which the si-
4 lence of a consumer or failure by a consumer to take
5 an affirmative action to reject the goods or services
6 or to cancel the agreement is interpreted by the sell-
7 er as acceptance of the offer or renewal of the agree-
8 ment.

9 (9) NEGATIVE OPTION CONTRACT.—The term
10 “negative option contract” means a contract that in-
11 cludes a negative option, including—

- 12 (A) an automatic renewal contract;
- 13 (B) a continuity plan contract;
- 14 (C) a free-to-pay conversion contract;
- 15 (D) a pre-notification negative option plan
- 16 contract; and
- 17 (E) any combination of the contracts de-
18 scribed in subparagraphs (A) through (D).

19 (10) NOTIFICATION.—The term “notification”,
20 when used with respect to the terms of a contract,
21 means a written notification that clearly, conspicu-
22 ously, and concisely states all material terms of the
23 negative option, including information regarding the
24 simple mechanism for cancellation and the length of

1 time required for a merchant of record to complete
2 any cancellation request.

3 (11) PRELIMINARY PERIOD.—The term “pre-
4 liminary period” means the period of a negative op-
5 tion contract prior to the date on which a negative
6 option takes effect.

7 (12) PRE-NOTIFICATION NEGATIVE OPTION
8 PLAN CONTRACT.—The term “pre-notification nega-
9 tive option plan contract” means a contract between
10 any merchant of record and any consumer under
11 which the consumer receives periodic notices offering
12 goods or services and, unless the consumer specifi-
13 cally rejects the offer, the consumer automatically
14 receives the goods and services and agrees to pay for
15 such goods and services.

16 (13) SIMPLE MECHANISM.—The term “simple
17 mechanism” means the term described in section
18 425.6 of title 16, Code of Federal Regulations, or
19 any successor regulation.

20 **SEC. 6. EFFECTIVE DATE.**

21 This Act shall apply with respect to contracts entered
22 into or amended after the date that is 1 year after the
23 date of the enactment of this Act.