

Auto-Renewal Laws: 2025 Round Up

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Businesses offering subscriptions or other ongoing services continue to face a growing, and increasingly complex, patchwork of state auto-renewal laws (ARLs). 2025 brings a fresh wave of developments across the states.

In addition to newly introduced and enacted ARL legislation this session, a number of state laws are now in effect as of January 1, 2025. Together, these proposed and new laws reflect a continued trend toward more prescriptive disclosure, notice, and cancellation requirements, with each state introducing its own unique take.

Recent Laws That Are Now in Effect

Minnesota - Effective January 1, 2025

Minnesota's new ARL applies broadly to indefinite or continuously renewing agreements, including some that are often not covered by other state laws, such as those offered by health clubs, buying clubs, and social referral services. A standout provision is its annual reminder requirement, which applies to any ongoing subscription, regardless of term length. If a consumer is enrolled in a continuous service, businesses must send a written notice at least once per calendar year, including "the terms of the service and how to terminate or manage the service."

The law also takes a stricter approach to retention offers and cancellation options than states like California. While California permits businesses to offer discounts or incentives during cancellation (as long as they inform users they can cancel at any time), Minnesota expressly prohibits such offers unless the consumer has affirmatively consented to receive them. This prohibition on unsolicited "save" tactics marks a notable shift in how businesses can engage with customers during the cancellation process. The prohibition however does not prevent a business from asking the reasons for cancellation (as long as the answer is not a condition of cancelling), informing about the consequences of cancelling, or providing options to pause or downgrade a membership. Minnesota also goes further than California in requiring any business with a website "with profile or subscription management capability" there must be a simple way to cancel on such website - regardless of signup method.

Utah - Effective January 1, 2025

Utah's new law is narrower in scope but still important. It doesn't include upfront disclosure or consent rules, but it does impose two very specific notice obligations.

First, businesses must send a renewal reminder 30-60 days before a subscription renews for terms longer than 45 days. Second, if the offer includes a free trial, a separate notice is required at least

three days before the trial ends.

Coming Soon

California amendments - July 1, 2025

For a refresher on California's latest ARL amendments, see our previous [blog post](#) covering the state's newest requirements.

Massachusetts - September 2, 2025

We've [previously](#) covered 940 CMR 38.00 in the context of "junk fee" regulation, but it's worth flagging here again, this time for 940 CMR 38.05's application to automatically renewing agreements. Unlike other states that enacted legislation through their legislatures, Massachusetts implemented this regulation directly through the Attorney General's Office under its existing UDAP authority. Violations of the regulation will constitute unfair and deceptive practices under the Massachusetts UDAP statute.

For businesses offering subscriptions, this law imposes a number of prescriptive requirements that exceed current requirements in the autorenewal landscape.

- Clear and conspicuous disclosure of specific information about trial offers before a consumer accepts, including "the calendar date by which the consumer must reject or cancel the Trial Offer" and "incur any financial obligation" - going beyond the Negative Option Rule's requirement for a deadline (by date or frequency).
- A simple mechanism as easy to use as and through the same medium as consent. But unlike the Negative Option Rule, internet cancellation must be available through the *same* website or app used to initiate.
- For plans with terms longer than 31 days, a pre-renewal notice is required 5-30 days in advance through a substantially similar medium as signup or a "commonly-used medium that is reasonably calculated to be seen and understood by an ordinary consumer, and that is affirmatively chosen...preferred method of contact."
- For terms of 31 days or less, the rule appears to mandate either a similar notice prior to renewal, or something like a receipt "at least as frequently as the consumer is charged" with the amount charged and instructions how to cancel.

Newly Introduced Legislation

So far in 2025, lawmakers in Arkansas (HB1820), Maryland (SB49/HB107), Mississippi (SB2498/HB875), Massachusetts (HB389), New Jersey (A5395), New York (S4391), Oklahoma (HB1851), Pennsylvania (HB45), Texas (HB2859/SB838), and West Virginia (HB2851) introduced new ARL legislation, while Colorado (SB145), Georgia (HB529/SB127), North Carolina (H188), and Tennessee (HB420/SB302) introduced legislation amending their existing laws. While each measure is distinct, most share some common threads similar to or exceeding the Negative Option Rule's requirements, such as:

- Disclosure clarity: Terms must be presented "clearly and conspicuously," typically in bold or larger font, including any promotional pricing or free trial end dates.
- Renewal reminders: Mandated reminders if a contract auto-renews beyond a certain length

(e.g., 6 months or 1 year).

- Straightforward cancellation: Consumers must have an easy mechanism to cancel, using the same platform or medium they used to sign up.
- Affirmative and separate consent: Businesses must obtain explicit consent specifically for the automatic renewal terms, not just for the purchase overall – requiring a separate initial or clearly distinct consent mechanism.

Notably, a few states add their own unique twists:

- New York specifically addresses in-app cancellations, requiring a clear “cancel” button within mobile applications offering automatic renewals.
- Colorado requires a “one-step online cancellation” option for consumers who originally subscribed via an online medium or electronic communication.
- Tennessee prohibits collecting a consumer’s payment information as part of a “free gift or trial” until the consumer opts in to continue.
- Georgia extends ARL protections not only to consumers but also to certain small businesses, covering renewing agreements in the business-to-business context.
- Massachusetts introduced HB389 to prohibit negative option billing without express consent, including a ban on “data pass” practices (where a company shares a consumer’s billing info with third parties without permission). The bill builds on existing Attorney General regulations (940 CMR 38.00), already set to take effect on September 2, 2025, and also appears to mirror concepts of ROSCA which states already have the authority to enforce.
- Pennsylvania requires that when a business or contract is sold, the new owner must notify consumers within 60 days and give them the opportunity to opt out of the automatic renewal provision.

And what about the FTC? While the FTC’s revised Negative Option Rule provision banning misrepresentations became effective in January 2025, its more substantive compliance obligations don’t kick in until May, giving businesses a short window to align with both federal and state-level expectations. We expect to see continued activity around ARLs at both the state and federal level in the months ahead – and we are keeping an eye on how the challenge to the Negative Option Rule shakes out at the 8th Circuit. We’ll keep you updated as new developments emerge – stay tuned.