

California Updates its Automatic Renewal Law

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In 2017, California [updated its automatic renewal law](#) to create some of the strictest requirements in the country. Now, just four years later, the Governor Newsom signed a new law that will impose even stricter requirements.

- **Requirements for Free Trials:** If a program includes a free or discounted trial period of 31 days or more, unless the consumer cancels, a business must send consumers a reminder that the service will renew, the length of the renewal term, and how to cancel. This notice must be sent between three and 21 days before the expiration of the trial period.
- **Requirements for One-Year Terms:** If a program has an initial term of one year or longer, a business must send a reminder that includes similar information as what is required for free trials. This notice must be sent between 15 and 45 days before the expiration of the term.
- **Cancellation Requirements:** Existing law states that consumers must be allowed to cancel online if they were able to sign up online. The new law adds to this requirement. For example, for subscriptions a customer can purchase online, a business must provide a cancellation option via a prominent link which may be located within a customer account or profile, device or user settings, or via an immediately accessible termination e-mail provided by the business that a consumer can send without additional information.



The revised law will replace the existing one and will go into effect on July 1, 2022. Companies will need to think about what changes they need to make to their programs to comply. This is an area that gets a lot of attention from [regulators](#) and [class action attorneys](#), so the consequences of getting things wrong can be significant.