

NY Quietly Amends Automatic Renewal Law

Gonzalo E. Mon, Beth Bolen Chun

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On May 9, 2025, New York Governor Kathy Hochul signed a large budget bill with “major components of legislation necessary to implement the state transportation, economic development, and environmental conservation budget for the 2025-2026 state fiscal year.” Buried in Part W of the 99-page bill are various provisions that will also impact how companies can offer automatic renewal programs in New York, starting this November. Some of these changes appear to echo Negative Option Rule and California Automatic Renewal Law amendments, while others are more prescriptive.

Here are some of the most notable updates:

- Companies must clearly and conspicuously disclose the material terms of an automatic renewal offer – including the price, the frequency of charges, the deadline by which consumers must act to prevent future charges, and how to cancel – before the company *requests* consent to the offer or billing information.
- As before, companies must provide notice of any material change to the terms of the offer, but the new law clarifies that price increases are material changes, and specifies that notices must be sent between 5-30 days prior to the change.
- Companies can’t increase prices without either (a) first obtaining affirmative consent to the increase or (b) allowing consumers to cancel within at least 14 days after the charge and providing a pro-rata refund.
- Companies must provide a “simple cancellation mechanism that is as easy to use as the mechanism that the consumer used to provide consent and that is through the same medium that the consumer used to provide consent.” Another provision states that companies must also provide the option to cancel “through all mediums by which the business allows a consumer to provide affirmative consent.” If consumers consent in person, companies must also offer the ability to cancel online or by phone.
- Companies can’t “impose unreasonable or unlawful conditions upon, refuse to acknowledge, obstruct, or unreasonably delay” cancellation requests. The statute provides examples of unreasonable conditions including hanging up on customers who call to cancel or misrepresenting the reasons for delays in processing cancellation.
- Companies can provide alternate offers or information about the effects of cancellation, as long as that doesn’t obstruct or delay cancellation.
- If an offer includes a free gift or trial period of more than one month, companies must notify consumers in the manner the consumer selected before charging them between 3-21 days

before the cancellation deadline for the first chargeable period. The notice must include cancellation instructions.

Automatic renewals continue to be a big priority for legislators and enforcers. As more states continue to enact or amend their automatic renewal laws, companies need to pay attention to these changes and make sure they update their subscription flows, cancellation processes, and other communications with consumers to remain in compliance.