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New State Automatic Renewal Laws Take Effect



New or updated auto-renewal laws have taken effect in Colorado, Delaware, and Illinois. Key takeaways for brands offering recurring subscription programs follow:

- **Colorado:** [H.B. 21-1239](#) establishes Colorado's first auto-renewal law, which has requirements similar to California's law, including (i) clear and conspicuous disclosure of certain auto-renewal terms; (ii) affirmative consent to the auto-renewal terms; and (iii) an acknowledgment upon sign-up that includes the auto-renewal terms, the cancellation policy, and information about how to cancel in a manner that is capable of being retained by the consumer. The law also requires that brands send reminder notices 25-40 days before renewal of any annual contract and, **for subscriptions with a term of less than a year, 25-40 days before any renewal that extends the length of the contract beyond the first 12 months and any subsequent 12-month period.** For example, for monthly subscriptions purchased on January 1, 2022, this notice must be sent 25-40 days before the monthly renewal on January 1, 2023.
- **Delaware:** [S.B. 93](#) establishes Delaware's first auto-renewal law, and its requirements are also consistent with California's law in many respects. However, **for contracts with a renewal period longer than one month where the renewal causes the subscription to extend more than 12 months after the subscription starts, the business must send renewal reminders for each renewal 30-60 days before the applicable cancellation deadline.** For example, if a business offers a recurring 6-month subscription, and the subscription can only be cancelled before the next 6-month period begins, it could send a renewal reminder 30 days before the beginning of the 13th month of subscription and then again 30 days before the end of each subsequent 6-month subscription period. The law also requires that consumers notify sellers of any violations, and it provides sellers 30 days to cure the violations before consumers can bring an enforcement action.
- **Illinois:** [H.B. 3955](#) updates Illinois' existing auto-renewal law to require that businesses provide an easy-to-use cancellation method and the ability to cancel electronic subscriptions exclusively online.

In addition to the changes above, California's [recent updates](#) to the cancellation and notice requirements in its auto-renewal law will go into effect on July 1, 2022. For more information on the Federal Trade Commission's recent guidance regarding automatic renewals, [click here](#).

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