STATE OF NEW YORK

5941

2023-2024 Regular Sessions

IN SENATE

March 23, 2023

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to requiring businesses to notify consumers of an upcoming automatic renewal or continuous service charge thirty days prior to such charge

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivisions 3 and 8 of section 527-a of the general business law, as added by chapter 267 of the laws of 2020, are amended to read as follows:

3. **a.** In addition to the requirements of subdivision two of this section, a consumer who accepts an automatic renewal or continuous service offer online shall be allowed to terminate the automatic renewal or continuous service exclusively online[~~, which may include~~]**. To satisfy the requirements of this subdivision, a business shall either (1) provide the consumer with** a **model** termination email [~~formatted and provided by the business~~] that [~~a~~] **such** consumer can send to [~~the~~] **such** business without additional information **to notify such business of such consumer's intent to terminate such automatic renewal or continuous service, or (2) send the consumer an email containing a link to a website or other online service where such consumer can terminate such automatic renewal or continuous service**.

b. A business that allows a consumer to accept an automatic renewal or continuous service offer for an initial paid term of one year or longer, provided that such automatic renewal or continuous service renews for a paid term of one month or longer, shall notify such consumer of such upcoming automatic renewal or continuous service charge to such consumer's account at least fifteen days before, but not more than thirty days before, the cancellation deadline for such automatic renewal. Such notice shall include instructions on how to cancel such renewal charge.

8. The following are exempt from the requirements of this article:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD03135-04-3

a. any service provided by a business or its affiliate where either the business or its affiliate is doing business pursuant to a franchise issued by a political subdivision of the state;

b. any entity**, or subsidiary or affiliate thereof,** regulated by the department of financial services;

c. security system alarm operators;

d. banks, bank holding companies, or the subsidiary or affiliate of either, or credit unions or other financial institutions, licensed under state or federal law; and

e. sellers and administrators of a service contract, as defined pursuant to section seven thousand nine hundred two of the insurance law.

§ 2. This act shall take effect immediately.