

Insights: Alerts

New York City Proposes Nation's First Municipal Click-to-Cancel Rule: What Subscription Businesses Need to Know

June 2, 2026

Written by John M. Brigagliano and Anthony D. Glosson

On April 8, 2026, Mayor Zohran Mamdani and Department of Consumer and Worker Protection (“DCWP”) Commissioner Samuel Levine [announced](#) a proposed rule that would make New York City the first municipality in the United States to enforce a dedicated “click-to-cancel” standard for subscription services. The proposal underwent a 30-day public comment period under the City Administrative Procedures Act (“CAPA”). If finalized, it will add a local enforcement layer on top of an already-complex patchwork of federal and state automatic renewal laws, with direct implications for any company serving New York consumers.

The NYC Proposed Rule

The proposal flows from Mayor Mamdani's [Executive Order 10](#), “Fighting Subscription Tricks and Traps,” issued on January 5, 2026, which directed DCWP to crack down on deceptive subscription practices. DCWP has already been active on that front, issuing [warning notices](#) to 187 gyms and health clubs across the city earlier this year.

The proposed rule has three core components:

- [Easy cancellation](#). Businesses must make cancellation at least as simple as enrollment. If a consumer can sign up with a click, they must be able to cancel with one.
- [Clear disclosures](#). Companies must clearly disclose subscription terms when consumers purchase, enroll in, or cancel subscriptions for goods or services. The rule applies to any subscription that qualifies as an automatic renewal or continuous service offer.
- [Enforcement authority and penalties](#). DCWP would gain explicit citywide enforcement authority. Violations carry civil penalties starting at \$525 per violation, plus potential restitution to affected consumers.

The [proposed rule text](#) is published in the City Record. DCWP will review feedback before finalizing the rule. Commissioner Levine, who previously served as Director of the FTC's Bureau of Consumer Protection under the Biden administration, has signaled that DCWP intends to move quickly and will not back down in the face of industry pushback.

Context: The Existing U.S. Regulatory Landscape

The NYC proposal arrives at a moment of significant federal and state regulatory activity in this space, much of it still unsettled.

Federal Level

The FTC finalized a sweeping amended Negative Option Rule in October 2024, widely called the “click-to-cancel” rule, requiring companies to make cancellation as easy as sign-up, to provide clear pre-enrollment disclosures, and to offer cancellation via the same channel used for enrollment. The rule was vacated in its entirety by the U.S. Court of Appeals for the Eighth Circuit on July 8, 2025 (*Custom Commc’ns, Inc. v. FTC*, 142 F.4th 1060 (8th Cir. 2025)) on procedural grounds, concluding that the FTC had failed to conduct a mandatory preliminary regulatory analysis under Section 22 of the FTC Act. The rule never fully took effect.

In March 2026, the FTC [published](#) an Advance Notice of Proposed Rulemaking (“ANPRM”) to restart the rulemaking process (with comments closed as of April 13, 2026 per the [Federal Register](#)), signaling that a revised rule is likely, though the timeline remains uncertain. The full [regulatory history](#) is on the FTC’s website. In the interim, the FTC continues to pursue enforcement under ROSCA (which requires simple cancellation mechanisms for online subscriptions), Section 5 of the FTC Act, and the Telemarketing Sales Rule. That said, the current FTC under Chairman Andrew Ferguson has generally assumed a more restrained enforcement posture than its predecessor, making state and local enforcement the more immediate near-term risk for most subscription businesses.

State Level

With no federal rule in force, states have moved aggressively. The operative state laws include:

- [California](#) (effective July 1, 2025): Amended Automatic Renewal Law requires affirmative consent to renewal terms (with records retained for three years), clear pre-enrollment disclosures, and online cancellation mechanisms for consumers who enrolled online.
- [New York State](#) (effective November 5, 2025): Amended law (Part W of S-3008) requires advance notice of material changes, including price increases, sent through the consumer’s chosen communication channel. Companies raising prices must either obtain affirmative consent or allow cancellation with a prorated refund within 14 days of the first charge at the new price.
- [Colorado](#) (effective February 16, 2026): Amended ARL extends to business-to-business subscriptions and requires a one-step online cancellation link for consumers who enrolled online.
- [Minnesota](#) (effective January 1, 2025): Requires annual renewal reminders for all ongoing subscriptions, regardless of term length, and prohibits unsolicited retention offers (“save” offers) unless the consumer affirmatively consents to receive them.
- [Massachusetts](#) (effective September 2, 2025): AG regulations impose prescriptive requirements for trial offers and cancellation, including calendar-date disclosures for trial expirations.
- [Connecticut, Maine, and Maryland](#) have new or amended laws taking effect in mid-2026, further extending the patchwork.

State attorneys general have also been active enforcers. Notable 2025 actions include a [\\$7.5M settlement](#) with HelloFresh by California county prosecutors for deceptive subscription enrollment and a [multistate suit](#) against Uber for trapping consumers in its Uber One subscription, all under state automatic renewal laws in tandem with ROSCA claims.

Implications for Subscription Businesses

The NYC proposal, if finalized, raises several immediate compliance and strategic considerations.

- New enforcement exposure for NYC-facing businesses. Any company offering auto-renewing subscriptions or continuous service offers to New York City consumers, regardless of where the company is headquartered, would be subject to DCWP enforcement authority. The rule's precise geographic reach will depend on nexus, but national subscription businesses with any meaningful NYC subscriber base should assume coverage until the rule's scope is tested. Companies already facing scrutiny from the New York AG under state law would now contend with a second city-level enforcement body.
- B2B exposure unclear. NYC's Consumer Protection Law has historically applied primarily to consumer-facing transactions. Whether the proposed rule reaches business-to-business subscriptions, as Colorado's amended ARL now explicitly does, is not addressed in the proposal and warrants monitoring as the rule is finalized.
- Lowest-common-denominator approach is increasingly necessary. With California, New York State, Colorado, Minnesota, Massachusetts, and now likely New York City each imposing distinct requirements, subscription businesses serving a national customer base need compliance programs designed around the most restrictive applicable standard, not a state-by-state carve-out approach.
- The federal vacuum may not last. The FTC's ANPRM signals intent to promulgate a revised rule, this time with the procedural record needed to survive judicial review. Companies that treated the Eighth Circuit's decision as a long-term reprieve should revisit that assumption.
- Private litigation risk. Beyond regulatory enforcement, California's and New York's automatic renewal laws create exposure to private class action litigation under state UDAP statutes, with potential restitution, injunctive relief, and attorneys' fees. For many subscription companies, this may represent the larger financial risk relative to regulatory action.
- "Save" offers and retention flows. The NYC proposal focuses on cancellation friction broadly, and several state laws (notably Minnesota) now restrict unsolicited retention offers during cancellation flows. Businesses relying on aggressive save-offer sequences should evaluate those flows against both the emerging NYC standard and current state requirements.
- Documentation matters. Consent records, disclosure logs, and cancellation process documentation are increasingly what regulators examine in enforcement. Companies should confirm they have auditable records of enrollment consent and the cancellation mechanisms offered at each consumer touchpoint.

Next Steps

We expect the rule, once finalized, to move to enforcement quickly given DCWP's existing posture on subscription issues.

Companies that have not recently audited their subscription enrollment, disclosure, and cancellation flows should consider doing so now. The combination of active state enforcement, the pending FTC rulemaking, and the NYC proposal makes this a higher-risk area than at any point in recent memory.

Related People



John M. Brigagliano

t 404.815.6135

jbrigagliano@ktslaw.com



Anthony D. Glosson

t 202.508.5842

tglosson@ktslaw.com