

1. Growing Patchwork of State Privacy Laws

Without a national privacy law, the U.S. advertising industry continues to operate under a patchwork of state and sectoral privacy regulations that mandate how consumer data, especially behavioral and geolocation data, is collected, used, and disclosed. Comprehensive state privacy laws have been enacted in 20 states. While there is significant overlap between many of these laws, there are also critical differences that make compliance challenging. Moreover, the complexity of the digital ad distribution chain makes compliance more challenging with partners not being “on the same page” about how the law applies.

What This Means for Video Advertising:

If your video campaigns use personal information to optimize targeting, frequency, or cross-device measurement, your legal risk could increase. Companies should proactively assess whether they’re compliant across all states where they operate, particularly in how they use sensitive personal information including precise geolocation data, user activity tracking, and opt-out management.

2. Subscription Rules and Auto-Renewal Compliance

Last year, the Federal Trade Commission proposed a “Click to Cancel” Rule to expand existing regulations on automatic renewals to place stricter requirements on businesses offering subscription services to combat deceptive and unfair practices. Specifically, the Rule requires clearer disclosures, simplified cancellation mechanisms, and explicit consent for auto-renewals. As drafted, the Rule is overly broad, exceeds the FTC’s rulemaking authority, lacks clarity, and could lead to increased compliance costs and add friction to the \$1.5 trillion subscription industry. This would mean that helpful features like discounts and loyalty rewards could no longer be offered to consumers seeking to cancel subscription services. IAB is actively pursuing litigation to challenge the Rule, with oral arguments scheduled next month in the Court of Appeals for the Eighth Circuit, as well as seeking to have the rule rescinded by Congress using the Congressional Review Act.



What This Means for Video Advertising:

As platforms adjust their subscription models, ad-supported tiers may gain traction. Advertisers should watch for shifts in user behavior and audience availability, particularly as friction around auto-renewal could push users toward free, ad-funded experiences.

3. AI Governance and Ad Tech Accountability

The FTC has [reiterated](#) that AI used in marketing and audience targeting must comply with existing consumer protection laws, especially when AI is used to personalize content or segment audiences. Moreover, some state bills aim to regulate high-risk AI systems that make or are capable of making “consequential decisions,” such as eligibility for financial services, employment, or health-related services, potentially implicating ad campaigns promoting these sectors.

What This Means for Video Advertising:

If you’re using AI tools to dynamically insert content or make predictive decisions about targeting, you need oversight. Review how these tools are trained, the data used, and whether outputs could unintentionally result in bias or discrimination. If your advertising touches areas like finance, healthcare, or education, AI applications may soon fall under “consequential decision”

4. Children's Privacy Laws Expanding Beyond COPPA

States are introducing laws that go beyond federal COPPA rules by expanding protections to minors above 13. These laws restrict targeted advertising to teens, impose age-verification requirements, and introduce design obligations for digital experiences. Some require default privacy settings to be more restrictive or prohibit use of data for personalization altogether when the user is a minor.

What This Means for Video Advertising:

If your video campaigns run on platforms popular with teens or children, your creative targeting and personalization practices may be at risk. Brands should verify whether platform partners have age detection protocols in place and whether ad personalization to minors is appropriately limited or disabled.

5. Spotlight on Data Minimization and Data Broker Disclosures

State privacy laws **generally** reinforce the principle of "data minimization", which says that only personal information that is reasonably necessary to provide a product or service should be collected and retained. Other states are attempting to pass legislation which bans the use of certain data categories or restrict data collection to what is strictly necessary to provide a product or service.

What This Means for Video Advertising:

Advertisers and platforms must reduce reliance on large-scale personal data aggregation. You may be required to prove that any sensitive data used for ad delivery is essential for the campaign's purpose. Some states now require companies to publish which third parties they share user data with and to offer streamlined deletion or opt-out mechanisms. Failure to comply could mean fines, or having your data partnerships publicly listed by enforcement agencies.



Looking Ahead

From AI regulation to data transparency and children's privacy, the regulatory landscape around video advertising is only getting more complex. As new laws are proposed and passed each quarter, now is the time for video ad stakeholders - brands, agencies, platforms, and data providers - to align on privacy-resilient strategies and AI governance protocols.

The IAB Video Compliance Brief will continue quarterly. The next edition will be released in August 2025.