
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1356 Session of
1979

INTRODUCED BY CALTAGIRONE, ZELLER AND BROWN, MAY 22, 1979

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 22, 1979

AN ACT

1 Providing for the registration and other regulation of sellers
2 of travel.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the "Travel
7 Regulation Act."

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have, unless the context clearly indicates otherwise, the
11 meanings given to them in this section:

12 "Advertise." To make any representation in the solicitation
13 of transportation or other travel services and includes
14 communication with other members of the same partnership,
15 corporation, joint venture, association, organization, group or
16 other entity.

17 "Passenger." A person on whose behalf money or other
18 consideration has been given or is to be given to another,

1 including another member of the same partnership, corporation,
2 joint venture, association, organization, group or other entity,
3 for travel.

4 "Person." Includes an individual, partnership, corporation,
5 joint venture, organization or association or other group,
6 however organized.

7 "Secretary." The Secretary of the Commonwealth.

8 "Travel agent." A person who sells, provides, furnishes,
9 contracts for, arranges, or advertises that he can or may
10 arrange, or has arranged transportation either separately or in
11 conjunction with other travel services.

12 "Travel services." Includes car rentals, lodging, transfers,
13 sightseeing tours and all other such services which are arranged
14 in conjunction with air, sea, rail or motorcoach transportation.

15 Section 3. Legislative findings.

16 The General Assembly finds and declares that certain
17 advertising, sales and business practices in the sale of
18 transportation and other travel services have worked financial
19 hardship upon the people of this State; that the travel business
20 has a significant impact upon the economy and well-being of this
21 State and its people; that problems have arisen which are
22 peculiar to the travel business; and that the public welfare
23 requires registration and other regulation of sellers of travel
24 in order to eliminate unfair advertising, sales and business
25 practices; to establish standards which will safeguard the
26 people against financial hardship and to encourage competition,
27 fair dealing and prosperity in the travel business.

28 Section 4. Registration.

29 Every travel agent doing or intending to do business in this
30 State shall register each location for the transaction of such

1 business with the secretary before continuing or commencing to
2 do business in this State. The secretary shall require a fee for
3 such registration which shall be in an amount such that the fees
4 collected shall not exceed the cost of administering this act.
5 The amount of such fee shall not exceed \$20 for the first such
6 registration nor \$10 for each additional registration for
7 additional locations for each two-year registration period.

8 Section 5. Evidence of financial security.

9 (a) With the registration required by this act, each travel
10 agent shall file one of the following:

11 (1) a copy of the registrant's application to the Civil
12 Aeronautics Board for each offering to the public by the
13 registrant filed with the Civil Aeronautics Board, the Civil
14 Aeronautics Board's notice of receipt of such application and
15 a statement by the registrant that the application was not
16 disapproved within the approval period. After the initial
17 filing and the payment of the registration fee provided in
18 section 4, the registrant shall pay a \$5 fee for each
19 additional filing; or

20 (2) a bond issued by a surety licensed to do business in
21 this State in the amount of \$25,000 for a registrant offering
22 for sale interstate or international transportation or other
23 travel services provided, however, if the registrant provides
24 or offers to provide only transportation or other travel
25 services within the State or within 150 miles or the
26 principal place of business of the registrant, the amount of
27 such a bond shall be \$5,000. The bond shall be in favor of
28 the State for the use, benefit and protection of any person
29 who is injured by the fraud, misrepresentation or financial
30 failure of the registrant. It is not the purpose of this

1 paragraph to alter the standards by which legal liability of
2 the registrant is determined. The principal of the bond shall
3 be accessible only if no other assets of the registrant are
4 available to satisfy such judgment. Such bond shall not limit
5 or impair any right of recovery otherwise available pursuant
6 to law.

7 (b) In lieu of any bond required to be provided by this
8 section, a registrant may deposit with the secretary, cash or
9 securities in a like amount or evidence satisfactory to the
10 secretary of the deposit of such collateral to be held or
11 applied to the purposes to which the proceeds of the bond would
12 otherwise be applied.

13 Section 6. Registration information.

14 Each application for registration shall include:

15 (1) The name and address of each owner and of the chief
16 executive and each operating officer of the applicant.

17 (2) With respect to a corporation, the application shall
18 be signed by the president, secretary and treasurer of the
19 corporation and the application shall specify the name, date
20 and place of incorporation of the applicant. If the applicant
21 is a publicly held corporation, the voting stock of which is
22 traded on a recognized exchange or over-the-counter, the
23 applicant may satisfy the requirement to specify the name of
24 each owner by specifying the names of any persons owning or
25 controlling 10% or more of the voting stock of the applicant.

26 Section 7. Exclusions.

27 The registration required by this act shall not apply to:

28 (1) Any bona fide employee of a travel agent registered
29 under this act engaged solely in the business of the
30 employer.

1 (2) Persons involved in the rental, leasing or sale of
2 transportation vehicles only.

3 (3) A common carrier of passengers regulated by an
4 agency of the Federal Government or an employee of such
5 carrier when solely engaged in the transportation business of
6 the carrier as defined in the carrier's certificate of public
7 convenience and necessity.

8 (4) An intrastate common carrier or an employee of such
9 carrier when solely engaged in the transportation business of
10 the carrier as defined in the applicable State or local
11 registration or certification.

12 (5) Hotels, motels or other places of public
13 accommodation or their employees engaged in making
14 arrangements for lodging accommodations or local sightseeing
15 tours or organizations receiving no compensation or
16 remuneration for offering or providing transportation or
17 travel services for their organization only.

18 (6) Organizations receiving no compensation or
19 remuneration for offering or providing transportation or
20 travel services for the organizations' members only.

21 Section 8. Information required.

22 A travel agent shall not receive money or other valuable
23 consideration in payment for transportation or other travel
24 services unless at the time of such receipt the travel agent
25 furnishes to the person making such payment a written statement
26 conspicuously setting forth the following information:

27 (1) The name and business address and telephone number
28 of the travel agent.

29 (2) The amount paid, the date of such payment, the
30 purpose of the payment made and an itemized statement of the

1 balance due, if any.

2 (3) The location and number of the bond, if any,
3 required by this act.

4 (4) The name of the carrier or third party contractor
5 with which the travel agent has contracted to provide the
6 transportation, the type of equipment planned to be used and
7 the date, time and place of each departure.

8 (5) The conditions, if any, upon which the contract
9 between the travel agent and the passenger may be cancelled
10 and the rights and obligations of all parties in the event of
11 such cancellation.

12 (6) The conditions, if any, upon which the contract
13 between the travel agent and the carrier may be cancelled and
14 the rights and obligations of all parties in the event of
15 such cancellation.

16 The provisions of paragraphs (5) and (6) shall appear on all
17 written statements in eight point bold face type.

18 Section 9. Substituted service of process.

19 (a) The purpose of this section is to subject certain
20 nonresident sellers or furnishers of transportation or other
21 travel services to the jurisdiction of courts of this State in
22 suits by or on behalf of purchasers of transportation or other
23 travel services growing out of any purchase of transportation or
24 other travel services in this State. The General Assembly
25 declares that it is a subject of concern that may residents of
26 this State purchase transportation or other travel services,
27 evidence of which is issued or delivered in this State, from
28 either nonresident sellers of transportation or other travel
29 services or from resident travel agencies acting as agents for
30 nonresident sellers of transportation or other travel services.

1 Furthermore, since under established common law, travel agencies
2 are not usually liable for the actions or omissions of third
3 party suppliers of transportation or other travel services,
4 purchasers of transportation or other travel services are often
5 presented with difficult obstacles in serving process and
6 asserting legal rights pertaining to the sale of such
7 transportation or other travel services. In furtherance of such
8 State interest the Legislature herein provides a method of
9 substituted service of process upon such sellers of
10 transportation or other travel services and declares that in
11 doing so it exercises its power to protect its residents and
12 define for the purposes of this section what constitutes doing
13 business in this State.

14 (b) Any of the following acts in this State, effected by
15 mail or otherwise by a nonresident seller of transportation or
16 other travel services, either directly or through a resident or
17 nonresident travel agency, shall constitute appointment by such
18 seller of transportation or other travel services of the
19 secretary to be its attorney to receive service of a lawful
20 process in any noncriminal action or proceeding instituted by or
21 on behalf of a resident purchaser of transportation or other
22 travel services arising out of the purchase of such
23 transportation or other travel services, with the same force and
24 validity as if served on the seller of transportation or other
25 travel services personally:

26 (1) the sale of transportation or other travel services
27 to any resident of this State or to a corporation authorized
28 to do business therein;

29 (2) the solicitation for the sale of such transportation
30 or other travel services;

1 (3) the issuance or delivery of any documents pertaining
2 to the sale of transportation or other travel services,
3 including but not limited to tickets, vouchers, confirmations
4 and receipts;

5 (4) the collection of payments, charges, tariffs,
6 deposits or other considerations for the sale of such
7 transportation or other travel services; or

8 (5) any other transaction of business in relation to the
9 promotion and sale of such transportation or other travel
10 services.

11 (c) Service may be made by leaving a copy of the process in
12 the office of the secretary but it is not effective unless the
13 plaintiff forthwith sends notice of the service and a copy of
14 the process by certified mail to the defendant or respondent at
15 his last known address or takes other steps which are reasonably
16 calculated to give actual notice and the plaintiff's affidavit
17 of compliance with this section is filed in the action on or
18 before the return day of the process, if any, or within such
19 further time as the court allows.

20 (d) Service of process in any such noncriminal action or
21 proceeding mentioned in this section shall, in addition to the
22 manner provided in subsection (b), be valid if served upon any
23 person within this State who, in this State on behalf of such
24 seller of transportation or other travel services, is:

25 (1) soliciting the sale of transportation or other
26 travel services;

27 (2) making, issuing or delivering any documents
28 pertaining to the sale of transportation or other travel
29 services, including but not limited to tickets, vouchers,
30 confirmations and receipts; or

1 (3) collecting or receiving any payments, charges,
2 tariffs, deposits or other considerations for the sale of
3 such transportation or other travel services
4 and if the plaintiff forthwith sends notice of the service and a
5 copy of the process by certified mail to the defendant or
6 respondent at his last known address or takes other steps which
7 are reasonably calculated to give actual notice and the
8 plaintiff's affidavit of compliance with this section is filed
9 in the action on or before the return day of the process if any,
10 or within such further time as the court allows.

11 (e) No plaintiff who serves process as set forth in this
12 section shall be entitled to a judgment by default or a judgment
13 with leave to prove damages under this section until the
14 expiration of 30 days from the date of filing the affidavit of
15 compliance.

16 (f) Nothing in this section shall limit or abridge the right
17 to serve any process, notice or demand upon any seller of
18 transportation or other travel services in any other manner now
19 or hereafter permitted by law.

20 Section 10. Prohibited practices.

21 It shall be illegal for any travel agent and, if such travel
22 agent is a corporation, any officer or director thereof, to
23 engage in any or all of the following enumerated practices:

24 (1) Knowingly misrepresent the quality or kind of
25 service, type or size of aircraft, vehicle, ship or train,
26 time of departure or arrival, points served, route to be
27 travelled, stops to be made, or total trip time from point of
28 departure to destination or other services available,
29 reserved or contracted for in connection with any trip or
30 tour.

1 (2) Knowingly misrepresent the fares and charges for
2 transportation or services in connection therewith.

3 (3) Knowingly advertise or otherwise offer for sale or
4 sell transportation or services in connection therewith at
5 less than the rates, fares and charges specified in the
6 currently effective tariffs of the carrier, who is engaged to
7 provide such transportation or services or knowingly offer to
8 give rebates or other concessions thereon or knowingly assist
9 or permit a person or persons to obtain such transportation
10 or services at less than such lawful rates, fares and
11 charges.

12 (4) Knowingly advertise or sell transportation to a
13 person or persons on a reservation or charter basis for
14 specified space, flight, time or cruise departure or
15 knowingly represent that such definite reservation or charter
16 is or will be available or has been arranged, without a
17 binding commitment with a carrier for the furnishing of such
18 definite reservation or charter as represented or sold.

19 (5) Knowingly sell or issue tickets or other documents
20 to passengers to be exchanged or used for transportation if
21 such tickets or other documents will not be or cannot be
22 legally honored by carriers for transportation.

23 (6) Knowingly misrepresent the requirements that must be
24 met by a person or persons in order to qualify for charter or
25 group fare rates.

26 Section 11. Attorney General; district attorney.

27 The Attorney General or the district attorney of any county
28 may bring an action in the name of the people of the State to
29 restrain or prevent any violation of this act or any continuance
30 of any such violation.

1 Section 12. Penalty.

2 A person violating the provisions of this act shall be guilty
3 of a misdemeanor of the third degree and subject to a fine not
4 in excess of \$2,500 or one year in prison, or both. Any second
5 or subsequent violation shall be classified as a misdemeanor of
6 the second degree and punishable by a fine of not less than
7 \$2,500 nor more than \$5,000, or two years in prison, or both.

8 Section 13. Effective date.

9 This act shall take effect in 90 days.