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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1913 Session of  
2017

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INTRODUCED BY MURT, HENNESSEY AND KINSEY, NOVEMBER 14, 2017

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REFERRED TO COMMITTEE ON COMMERCE, NOVEMBER 14, 2017

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AN ACT

1 Amending Titles 12 (Commerce and Trade) and 42 (Judiciary and  
2 Judicial Procedure) of the Pennsylvania Consolidated  
3 Statutes, providing for fair franchises; and, in limitation  
4 of time, further providing for one year limitation and for  
5 four year limitation.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Title 12 of the Pennsylvania Consolidated  
9 Statutes is amended by adding a chapter to read:

10 CHAPTER 55

11 FAIR FRANCHISES

12 Sec.

13 5501. Short title of chapter.

14 5502. Declaration of policy.

15 5503. Definitions.

16 5504. Applicability.

17 5505. Termination and opportunity to cure.

18 5506. Renewal of the franchise and notice.

19 5507. Unfair acts and practices.

20 5508. Transfer.

1 5509. Termination.  
2 5510. Good faith and fair dealing.  
3 5511. Indemnification.  
4 5512. Enforcement.  
5 5513. Mediation and actions.  
6 5514. Void provisions.  
7 5515. Construction.  
8 § 5501. Short title of chapter.

9 This act shall be known and may be cited as the Fair  
10 Franchise Act.

11 § 5502. Declaration of policy.

12 (a) Declarations.--The General Assembly finds and declares  
13 as follows:

14 (1) Franchise businesses represent a large and growing  
15 segment of this Commonwealth's retail and service businesses  
16 and are rapidly replacing more traditional forms of small  
17 business ownership in this Commonwealth.

18 (2) Franchise businesses involve a joint enterprise  
19 between the franchisor and franchisee in which each party has  
20 a vested interest and equity in the franchised business.

21 (3) Most prospective franchisees lack bargaining power  
22 and generally invest substantial amounts to obtain a  
23 franchise business when they are unfamiliar with operating a  
24 business, with the business being franchised and with  
25 industry practices in franchising.

26 (4) Many franchises reflect a profound imbalance of  
27 contractual power in favor of the franchisor, and fail to  
28 give due regard to the legitimate business interests of the  
29 franchisee, as a result of the franchisor reserving pervasive  
30 contractual rights over the franchise relationship.

1       (5) Franchisees may suffer substantial financial losses  
2 when the franchisor does not act in good faith in the  
3 performance of the franchise agreement.

4       (6) Traditional common law doctrines have not evolved  
5 sufficiently to protect franchisees adequately from  
6 fraudulent or unfair practices in the sale and operation of  
7 franchise businesses and significant contractual and  
8 procedural restrictions have denied franchisees adequate  
9 legal recourse to protect the franchisees' interests in the  
10 businesses.

11       (7) A franchisee's freedom to contract is greatly  
12 limited by the disparity of bargaining power and lack of  
13 consistent legal standards and other factors. This act is  
14 necessary to restore freedom to contract and to remove  
15 restrictive barriers impeding entry into industries and  
16 markets dominated by franchise systems.

17       (b) Purposes.--The underlying purposes and policies of this  
18 chapter are as follows:

19       (1) To promote the compelling interest of the public in  
20 fair business relations between franchisees and franchisors.

21       (2) To protect franchisees against unfair treatment by  
22 franchisors who inherently have superior economic power and  
23 superior bargaining power in the negotiation of the business.

24       (3) To provide franchisees with rights and remedies in  
25 addition to those existing by contract or common law.

26       (4) To govern franchise agreements, including any  
27 renewals or amendments, to the full extent consistent with  
28 the Constitution of the United States and the Constitution of  
29 Pennsylvania.

30 § 5503. Definitions.

1 The following words and phrases when used in this chapter  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Affiliate." An entity controlled by, controlling or under  
5 common control with another entity.

6 "Franchise." As follows:

7 (1) Any of the following:

8 (i) An express or implied agreement between a  
9 franchisor and a franchisee, whether oral or written,  
10 which includes all the following:

11 (A) The franchisee is granted the right to  
12 offer, sell or distribute goods or services under a  
13 marketing plan or system prescribed or suggested in  
14 substantial part by the franchisor.

15 (B) The operation of the business is allowed to  
16 be substantially associated with a registered  
17 trademark, service mark, trade name, logotype,  
18 advertising or other commercial symbol owned,  
19 controlled or used by the franchisor.

20 (C) The franchisee is required to pay a  
21 franchise fee.

22 (ii) An area franchise.

23 (iii) A subfranchise.

24 (iv) A commercial relationship entered into in  
25 reasonable reliance on representations of the criteria  
26 under subparagraph (i).

27 (v) A commercial relationship explicitly referred to  
28 as a franchise by the seller.

29 (2) The term does not include any of the following:

30 (i) A nonprofit organization, operated on a

1 cooperative basis by and for independent retailers, which  
2 wholesales goods and services primarily to the  
3 organization's member retailers and to which all of the  
4 following apply:

5 (A) Each member has substantially the same  
6 control and ownership of the cooperative control and  
7 ownership is apportioned by number of retail units  
8 owned.

9 (B) Only persons that will avail themselves of  
10 the services furnished by the organization may be  
11 members.

12 (C) Transfer of ownership is prohibited or  
13 limited.

14 (D) Capital investment receives no return.

15 (E) Benefits to members are made on the basis of  
16 patronage of the cooperative or on the basis of  
17 retail units owned.

18 (F) A member is not personally liable for  
19 obligations of the organization in the absence of a  
20 direct undertaking or authorization by the member.

21 (G) Services of the organization are furnished  
22 primarily for the use of a member.

23 (H) No part of the receipts, income or profit of  
24 the organization is paid to a for-profit entity. This  
25 subparagraph does not include an arm's-length payment  
26 for necessary goods and services.

27 (I) A member is not required to purchase goods  
28 or services from a designated for-profit entity other  
29 than an approved supplier selected on an objective  
30 basis.

1           (ii) A contract regulated by the Petroleum Marketing  
2 Practices Act (Public Law 95-297, 15 U.S.C. § 2801 et  
3 seq.).

4           (iii) A contract or business relationship between a  
5 contractor and an automobile club that is a nonprofit  
6 corporation and that:

7                   (A) directs or refers the automobile club's  
8 members and other customers to the contractor for  
9 roadside assistance, auto battery replacement, auto  
10 repair, auto body repair or other motor-vehicle-  
11 related services; or

12                   (B) authorizes the contractor to display the  
13 automobile club's registered trademark, service mark  
14 or other commercial symbol as an indication of the  
15 contractor's affiliation with the automobile club.

16           (3) The term does not apply to distribution agreements  
17 under section 431 of the act of April 12, 1951 (P.L.90,  
18 No.21), known as the Liquor Code.

19 "Franchisee." A person who is granted a franchise.

20 "Franchisor." A person who grants a franchise.

21 "Good faith." Honesty in fact and the observance of  
22 commercial standards of fair dealing.

23 "Person." An individual, a corporation, a partnership, a  
24 limited liability company, a joint venture, an association, a  
25 joint stock company, a trust or an unincorporated organization.

26 "Required payment." All consideration that the franchisee  
27 must pay to the franchisor or an affiliate, either by contract  
28 or by practical necessity, as a condition of obtaining,  
29 commencing operation, continuing in, reinstating or renewing a  
30 franchise. The term does not include payments for the purchase

1 of reasonable amounts of inventory at bona fide, wholesale  
2 prices for resale or lease.

3 § 5504. Applicability.

4 A person who engages directly or indirectly in contracts in  
5 this Commonwealth in connection with the offering or advertising  
6 for sale or has business dealings with respect to franchises in  
7 this Commonwealth shall be subject to this chapter and shall be  
8 subject to the jurisdiction of the courts of this Commonwealth  
9 upon service of process.

10 § 5505. Termination and opportunity to cure.

11 (a) Termination.--A franchisor may not, directly or through  
12 an officer, agent or employee, terminate or cancel a franchise,  
13 nor substantially change the competitive circumstances of a  
14 franchise agreement except for good cause shown.

15 (b) Good cause required.--Good cause shall be based upon a  
16 legitimate business reason which shall include the franchisee's  
17 refusal or failure to comply with any express obligation of the  
18 franchise agreement. The franchisor shall have the burden of  
19 proving good cause.

20 (c) Defaults.--A default under one franchise agreement may  
21 not solely constitute a default under another franchise  
22 agreement to which the franchisee or an affiliate of the  
23 franchisee is a party.

24 (d) Notice.--Except as provided in subsection (e), prior to  
25 termination or cancellation of the franchise, the franchisor  
26 shall give the franchisee written notice at least 45 days in  
27 advance of the termination and the written notice shall be in  
28 accordance with the following:

29 (1) The notice shall state all of the reasons  
30 constituting good cause for termination or cancellation.

1           (2) The notice shall provide that the franchisee has 30  
2           days in which to rectify any claimed discrepancy.

3           (e) Exceptions.--The following time frames for written  
4           notice shall apply:

5           (1) Notice of immediate termination may be given if a  
6           franchisee is convicted in a court of competent jurisdiction  
7           of an offense:

8                   (i) punishable by a term of imprisonment in excess  
9                   of one year;

10                   (ii) directly related to the business conduct of the  
11                   franchise;

12                   (iii) materially impairing the goodwill value of the  
13                   franchise or the franchisor's registered trademark; and

14                   (iv) no longer appealable.

15           (2) Notice may be given at any time following the date  
16           on which the conviction under paragraph (1) is no longer  
17           appealable and shall be effective upon delivery and written  
18           receipt of the notice.

19           (3) A franchisor may not collect a financial penalty or  
20           fee as a consequence of the conviction.

21           (4) Following immediate written notice, 24 hours shall  
22           be given from receipt of the notice if the reason for  
23           termination or cancellation is a violation of a law,  
24           regulation or standard relating to an imminent danger to  
25           public health or safety. The franchisee may cure the  
26           violation in that 24-hour period.

27           (5) Following written notice, if the reason for  
28           termination or cancellation is nonpayment of money due under  
29           the franchise agreement, the franchisee shall be entitled to  
30           10 days to cure the default. A franchisee has the right to

1 cure three times in any 12-month period during the agreement.

2 (6) Fifteen days' notice shall be required if the reason  
3 for termination is voluntary abandonment by the franchisee of  
4 the franchise relationship.

5 (f) Termination by franchisee.--A franchisee may terminate a  
6 franchise agreement for good cause shown, without penalty or  
7 fees. Good cause shall include changes to the franchise system  
8 or the competitive circumstances of the franchise agreement  
9 created or expressly required by the franchisor which would  
10 cause substantial negative impact or substantial financial  
11 hardship to the franchisee in the operation of the franchise.

12 § 5506. Renewal of the franchise and notice.

13 (a) Good cause required.--A franchisor may not, directly or  
14 through an officer, agent or employee, fail to renew a  
15 franchise, except for good cause shown.

16 (b) Legitimate business reasons.--Good cause shall be based  
17 upon a legitimate business reason which shall include the  
18 franchisee's refusal or failure to comply substantially with any  
19 material, reasonable and reasonably necessary express obligation  
20 of the franchise agreement, including repeated and intentional  
21 nonpayment of royalties, advertising or marketing fees clearly  
22 required by the franchise agreement.

23 (c) Good faith required.--The franchisor is obligated to act  
24 in good faith and in accordance with the following:

25 (1) A franchisor may not refuse to renew a franchise for  
26 an arbitrary or capricious reason or for the financial gain  
27 of the franchisor or any affiliate of the franchisor.

28 (2) A duty of good faith shall obligate a party to a  
29 franchise to:

30 (i) do nothing that will have the effect of

1 destroying or injuring the right of the other party to  
2 obtain and receive the expected results of the contract;  
3 and

4 (ii) do everything required under the contract to  
5 accomplish that purpose.

6 (d) Notice.--Before nonrenewal of the franchise, the  
7 franchisor shall give the franchisee written notice at least 90  
8 days in advance of the nonrenewal. The notice shall state all of  
9 the reasons constituting good cause for the nonrenewal and shall  
10 advise that the franchisee has 60 days in which to rectify any  
11 claimed discrepancy and reinstate the franchisee's right to  
12 renew the franchise.

13 § 5507. Unfair acts and practices.

14 (a) Violation.--A violation of a provision of this chapter  
15 shall constitute an unfair method of competition and unfair or  
16 deceptive act or practice within the meaning of section 2(4) of  
17 the act of December 17, 1968 (P.L.1224, No.387), known as the  
18 Unfair Trade Practices and Consumer Protection Law, and shall be  
19 subject to the enforcement provisions, civil penalties and  
20 private rights of action contained in the Unfair Trade Practices  
21 and Consumer Protection Law.

22 (b) Prohibited acts.--A franchisor may not directly or  
23 indirectly do any of the following through an affiliate,  
24 officer, agent or employee:

25 (1) Restrict a franchisee from associating with other  
26 franchisees or from joining, leading or otherwise  
27 participating in a trade or other association or retaliate  
28 against a franchisee for engaging in the activity.

29 (2) Require or prohibit a change in management of a  
30 franchise unless the requirement or prohibition of the change

1 is for good cause, which must be stated in writing by the  
2 franchisor and be based on violations of material express  
3 provisions of the franchise agreement. Good cause shall  
4 include requiring that management of the franchise is  
5 conducted by personnel who have been trained in the manner  
6 required of each franchise manager in the system.

7 (3) (i) Impose on a franchise by a written or oral  
8 contract, manual, policy, rule or regulation, a standard  
9 of conduct or performance unless the franchisor, the  
10 franchisor's agents or representatives sustain the burden  
11 of proving the standard to be uniformly enforced and  
12 applied throughout the franchisor's system of similarly  
13 situated franchisees, franchisor-owned retail units and  
14 licensees in substantially the same manner.

15 (ii) Notwithstanding subparagraph (i), it shall not  
16 be a violation of this chapter for a franchisor to  
17 provide forbearance to a franchisee as a means of  
18 assistance to the franchisee in performing the  
19 franchisee's obligations under the franchise agreement or  
20 in operating the franchisee's franchise in exigent  
21 circumstances.

22 (4) Fail to deal fairly and in good faith with a  
23 franchisee or an association or other aggregation or  
24 incorporation of franchisees in any matter, including,  
25 without limitation, transfer of the franchise, administration  
26 of advertising funds, rewards programs, marketing funds and  
27 the interpretation, administration and performance of  
28 franchise and area development or territory agreements.

29 (5) Sell, rent or offer to sell to a franchisee a  
30 product or service for more than a fair and reasonable price

1 or without the reasonable expectation that the sale or rental  
2 of the product will promote the profitability of the  
3 franchisee's business.

4 (6) (i) Discriminate between franchises in the charges  
5 offered or made for royalties, goods, services,  
6 equipment, rentals, advertising services or in any other  
7 business dealing, unless each of the following apply:

8 (A) The discrimination between franchisees would  
9 be necessary to allow a particular franchisee to  
10 fairly meet competition in the open market.

11 (B) The discrimination does not adversely affect  
12 the business of an existing franchisee.

13 (C) To the extent that the franchisor satisfies  
14 the burden of proving that a classification of or  
15 discrimination between franchisees is reasonable, the  
16 discrimination is based on franchises granted at  
17 materially different times, is reasonably related to  
18 the difference in time or on other proper and  
19 justifiable distinctions and is not arbitrary or  
20 intended to be for the benefit of the franchisor at  
21 the expense of a franchisee.

22 (ii) Nothing under this paragraph shall be construed  
23 as granting to a franchisor a right which may be limited  
24 by Federal or State law.

25 (7) Notify the franchisee of a claimed breach of  
26 franchise agreement for good cause not later than 180 days  
27 from the date good cause arises or not later than 180 days  
28 after the franchisor knew or, in the exercise of reasonable  
29 care, should have known of the claimed good cause.

30 (8) Fail to make readily available to a franchisee,

1 without charge, true, accurate and complete copies of each  
2 record of marketing, rewards program, advertising fund and  
3 fee that has been paid by a franchisee, vendor, supplier and  
4 licensee.

5 (9) Coerce a franchisee to assent to a release,  
6 assignment, novation, waiver or estoppel which would  
7 prospectively relieve a person from liability imposed by this  
8 chapter.

9 (10) Require or demand that a franchisee pay liquidated  
10 or other posttermination damages in excess of the average  
11 monthly royalty fees paid by the franchisee during the prior  
12 12-calendar months or a shorter time that a franchised  
13 location has been in the system, multiplied by the lesser of  
14 six months or the number of months remaining in the term of  
15 the franchise agreement.

16 (11) Engage in an act prohibited under this chapter,  
17 directly or indirectly through an affiliate or agent on the  
18 part of the franchisor or an affiliate of the franchisor.

19 (12) Require or demand that a franchisee pay the legal  
20 fees and related expenses of the franchisor or an affiliate  
21 of the franchisor in a dispute or proceeding, by contract or  
22 otherwise, unless the franchisor is the prevailing party. A  
23 provision in a contract in violation of this paragraph shall  
24 be void.

25 § 5508. Transfer.

26 (a) General rule.--A franchisee may not transfer, assign or  
27 sell a franchise or interest in a franchise unless the  
28 franchisor is notified in writing of the following:

29 (1) The prospective transferee or buyer's name and  
30 address.

1           (2) A statement of financial qualification and business  
2 experience during the previous five years.

3 (b) Approval or denial.--

4           (1) A franchisor must, within 30 days after receipt of  
5 the notice under subsection (a), do one of the following:

6           (i) Provide written approval to the franchisee for  
7 the transfer, assignment or sale to the proposed  
8 transferee.

9           (ii) Deny the proposed transferee or buyer and  
10 provide material reasons relating to the character,  
11 financial ability or business experience of the proposed  
12 transferee or buyer.

13           (2) If the franchisor does not reply within the 30-day  
14 period under paragraph (1), the franchisor's approval shall  
15 be deemed to be granted.

16           (c) Agreement to requirements.--A transfer, assignment or  
17 sale may not be valid unless the transferee agrees in writing to  
18 comply with each of the requirements of the franchise then in  
19 effect.

20           (d) Fees.--A fee imposed by the franchisor as a condition of  
21 the transfer shall be limited to the franchisor's reasonable  
22 out-of-pocket expenses incurred in reviewing and approving the  
23 transfer.

24           (e) Violation.--It shall be a violation of this chapter for  
25 a franchisor to prohibit or interfere with:

26           (1) The transfer of a franchise and the rights of a  
27 franchisee to a qualified purchaser, including a family  
28 member or business partner directly or by imposing  
29 unreasonable stipulations or penalties on a transfer.

30           (2) The transfer by will or other lawful probate or

1 similar procedure of a franchise and the rights of a  
2 franchisee.

3 § 5509. Termination.

4 (a) Compensation.--Upon termination of a franchise, the  
5 following shall apply:

6 (1) Except as provided under subsection (b), the  
7 franchisor must fairly compensate the franchisee or  
8 franchisee's estate for the fair market value at the time of  
9 termination for the following:

10 (i) The franchise.

11 (ii) The franchisee's inventory, supplies, equipment  
12 and furnishings purchased by the franchisee from the  
13 franchisor or the franchisor's approved sources.

14 (iii) The fair market value of good will, if any,  
15 except for personalized items which have no value to the  
16 franchisor and inventory, supplies, equipment and  
17 furnishings not reasonably required in the conduct of the  
18 franchise business.

19 (2) A franchisor may offset against amounts owed to a  
20 franchisee under this subsection any amount mutually agreed  
21 upon and owed by the franchisee to the franchisor which is  
22 not the subject of a good faith dispute by the franchisee.

23 (b) Limitations.--

24 (1) Subsection (a) shall not apply to the following:

25 (i) Voluntary relinquishment or abandonment of the  
26 franchise by the franchisee.

27 (ii) Expiration of the franchise agreement if the  
28 franchisee does not elect to renew.

29 (2) Compensation of the good will of the franchisee  
30 shall not be required to be made to a franchisee if the

1 franchisor agrees in writing not to enforce a covenant which  
2 restrains the franchisee from competing with the franchisor  
3 in the same or substantially similar business in the same or  
4 substantially similar manner at the same location using the  
5 same property except the franchisor's registered trademark or  
6 trade name.

7 (c) Construction.--This section shall not be construed to  
8 permit the termination or nonrenewal of a franchise agreement  
9 except in accordance with the express terms of the franchise  
10 agreement and this chapter.

11 § 5510. Good faith and fair dealing.

12 Each franchisor shall owe a duty of good faith, as described  
13 under section 5506(c) (relating to renewal of the franchise and  
14 notice), and fair dealing to each franchisee.

15 § 5511. Indemnification.

16 (a) Duty.--A franchisor must indemnify and hold harmless a  
17 franchisee from financial loss and expense, including legal fees  
18 and costs, arising out of a claim, demand, suit or judgment by  
19 reason of a defect in merchandise, methods or procedures  
20 prescribed by the franchisor and required to be performed by the  
21 franchisee, except for the negligent act or willful misconduct  
22 of the franchisee which causes the loss or expense.

23 (b) Liability.--A franchisee, franchisee association or  
24 cooperative of franchisees shall not be liable for the  
25 negligence or misconduct of a supplier or distributor of  
26 products or services prescribed by the franchisor or for the  
27 failure of a product or service prescribed by the franchisor  
28 which is not fit for the particular purpose for which the  
29 product or service was prescribed or any related purpose. A  
30 contractual provision in contradiction with this subsection

1 shall be void as against public policy.

2 § 5512. Enforcement.

3 (a) Action.--If a franchisor violates a provision of this  
4 chapter, a franchisee may bring an action against the franchisor  
5 in a court of competent jurisdiction of this Commonwealth for  
6 any of the following:

7 (1) Damages sustained by the franchisee as a consequence  
8 of the franchisor's violation.

9 (2) The actual costs of the action, including  
10 reasonable, actual attorney fees.

11 (3) Injunctive relief against unlawful termination,  
12 cancellation or nonrenewal.

13 (b) Governance and jurisdiction.--Notwithstanding a term or  
14 provision of a franchise agreement to the contrary, the  
15 following shall apply:

16 (1) The laws of this Commonwealth shall govern the  
17 interpretation of the franchise agreement of a franchise  
18 located in this Commonwealth and the performance of the  
19 parties.

20 (2) The Federal courts with jurisdiction over cases  
21 filed in a district in this Commonwealth and courts of this  
22 Commonwealth shall have exclusive jurisdiction with respect  
23 to an action brought under this chapter or an action brought  
24 by a franchisor concerning a franchise located in this  
25 Commonwealth.

26 (c) Attorney General.--On the written request of a  
27 franchisor or a franchisee, the Attorney General may enforce  
28 compliance with this chapter.

29 § 5513. Mediation and actions.

30 (a) Mediation.--A clause or provision in a franchise

1 agreement requiring the parties to submit to nonbinding  
2 mediation as a precondition to litigation or arbitration shall  
3 be enforceable only if the mediation is conducted at a location  
4 within this Commonwealth and reasonably convenient to the  
5 franchisee.

6 (b) Actions.--Nothing in a franchise agreement may deprive a  
7 franchisee from participating as a member of a class action or  
8 in a consolidated action.

9 § 5514. Void provisions.

10 A provision in a franchise agreement which requires a party  
11 to the agreement to commence an action within a shorter period  
12 than allowed under 42 Pa.C.S. §§ 5523 (relating to one year  
13 limitation) and 5525 (relating to four year limitation) shall be  
14 void as against public policy.

15 § 5515. Construction.

16 (a) Liberal construction.--This chapter shall be liberally  
17 construed and applied to promote this chapter's underlying  
18 remedial purposes and policies.

19 (b) Effect.--The effect of this chapter may not be varied or  
20 waived by contract or agreement. A contract or agreement  
21 purporting to vary or waive the effect of this chapter shall be  
22 void and unenforceable to that extent only.

23 Section 2. Sections 5523 and 5525 of Title 42 are amended to  
24 read:

25 § 5523. One year limitation.

26 The following actions and proceedings must be commenced  
27 within one year:

28 (1) An action for libel, slander or invasion of privacy.

29 (2) An action upon a bond given as security by a party  
30 in any matter, except a bond given by a condemnor in an

1 eminent domain proceeding.

2 (3) An action upon any payment or performance bond.

3 (4) An action under 12 Pa.C.S. Ch. 55 (relating to fair  
4 franchises) accruing during the pendency of a civil, criminal  
5 or administrative proceeding against a person brought by the  
6 United States or any Federal agency under a Federal act or  
7 brought by the Commonwealth or any of the Commonwealth's  
8 political subdivisions under the laws of this Commonwealth  
9 related to antitrust laws or to franchising, the action must  
10 be commenced within one year after the final disposition of  
11 the civil, criminal or administrative proceeding.

12 § 5525. Four year limitation.

13 (a) General rule.--Except as provided for in subsection (b),  
14 the following actions and proceedings must be commenced within  
15 four years:

16 (1) An action upon a contract, under seal or otherwise,  
17 for the sale, construction or furnishing of tangible personal  
18 property or fixtures.

19 (2) Any action subject to 13 Pa.C.S. § 2725 (relating to  
20 statute of limitations in contracts for sale).

21 (3) An action upon an express contract not founded upon  
22 an instrument in writing.

23 (4) An action upon a contract implied in law, except an  
24 action subject to another limitation specified in this  
25 subchapter.

26 (5) An action upon a judgment or decree of any court of  
27 the United States or of any state.

28 (6) An action upon any official bond of a public  
29 official, officer or employee.

30 (7) An action upon a negotiable or nonnegotiable bond,

1 note or other similar instrument in writing. Where such an  
2 instrument is payable upon demand, the time within which an  
3 action on it must be commenced shall be computed from the  
4 later of either demand or any payment of principal of or  
5 interest on the instrument.

6 (8) An action upon a contract, obligation or liability  
7 founded upon a writing not specified in paragraph (7), under  
8 seal or otherwise, except an action subject to another  
9 limitation specified in this subchapter.

10 (9) An action arising out of 12 Pa.C.S. Ch. 55 (relating  
11 to fair franchises), except as provided under section 5523  
12 (relating to one year limitation).

13 (b) Special provisions.--

14 (1) An action subject to section 8315 (relating to  
15 damages in actions for identity theft) must be commenced  
16 within four years of the date of the offense or four years  
17 from the date of the discovery of the identity theft by the  
18 plaintiff.

19 (2) If a person liable under 12 Pa.C.S. Ch. 55  
20 fraudulently conceals the cause of action from the knowledge  
21 of the person entitled to bring the action, the period prior  
22 to the discovery of the cause of action by the person  
23 entitled to bring the cause of action shall be excluded in  
24 determining the time limit for the commencement of the  
25 action.

26 Section 3. This act shall apply to contracts entered into or  
27 renewed on or after the effective date of the addition of 12  
28 Pa.C.S. Ch. 55.

29 Section 4. This act shall take effect in 60 days.