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MEMO



Senate of Pennsylvania

December 9, 2010

TO: ALL SENATORS

FROM: Stewart J. Greenleaf

*Stewart*

SUBJECT: Cosponsorship -- **Disclosure of Seller's Return/Exchange Policies**

I am reintroducing **Senate Bill 75**, amending the Unfair Trade Practices and Consumer Protection Law, 1968 Act 387, to require all Pennsylvania retailers to conspicuously display their return/exchange policy, including restocking fees and the merchandise to which the fees will be applied.

Currently, there is no law requiring sellers to fully disclose their return/exchange policy, and consumers are frequently charged a restocking fee, typically between 15% and 20% of the purchase price, upon the return of items such as DVD players, digital cameras, GPS systems, printers, laptop computers, and other portable electronic devices. Restocking fees are commonly charged by large franchise retailers to offset the costs of returns. While this policy is effective at keeping sellers overall prices low, I believe that consumers have the right to know if they could be charged a fee if they decide to return or exchange their purchase. My legislation will in no way limit or regulate a seller's ability to charge fees or to accept or deny returns or exchanges but it will require all return/exchange policies to be clearly and conspicuously visible to the consumer before purchase.

If a business charges a restocking fee, my bill requires the business to do each of the following:

- Disclose in any print advertising and promotional material including a catalog that a restocking fee may apply to the purchase of goods.
- Post a notice disclosing that a restocking fee may apply to the purchase of goods and where the customer may obtain the full restocking fee policy. The notice shall be clearly and conspicuously visible to the customer before purchase.
- Disclose the amount charged for the restocking fee on the sales receipt in a conspicuous manner in type at least as large as the majority of the printed text on the receipt and in print that is clear and legible.

Nine states (Connecticut, Maryland, New Jersey, Utah, Arizona, California, Hawaii, New York, and Virginia) have passed legislation requiring retailers to conspicuously display their return/exchange policy in a location visible to the consumer at the time of purchase.

*If you would like to cosponsor this legislation, please contact Pat Snively of my office by e-mailing her at [psnively@pasen.gov](mailto:psnively@pasen.gov).*