

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 755 Session of 2013

INTRODUCED BY SWANGER, BOBACK, CALTAGIRONE, CARROLL, DAY, DEAN, DeLUCA, DONATUCCI, FREEMAN, KIRKLAND, KORTZ, MCNEILL, MOUL, NEILSON, PICKETT, QUINN, READSHAW, WATSON AND YOUNGBLOOD, FEBRUARY 14, 2013

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, FEBRUARY 14, 2013

AN ACT

1 Amending the act of December 17, 1968 (P.L.1224, No.387),  
 2 entitled "An act prohibiting unfair methods of competition  
 3 and unfair or deceptive acts or practices in the conduct of  
 4 any trade or commerce, giving the Attorney General and  
 5 District Attorneys certain powers and duties and providing  
 6 penalties," further providing for contracts and effect of  
 7 rescission.

8 The General Assembly of the Commonwealth of Pennsylvania  
 9 hereby enacts as follows:

10 Section 1. Section 7(a), (b), (c) and (j.1) of the act of  
 11 December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade  
 12 Practices and Consumer Protection Law, reenacted and amended  
 13 November 24, 1976 (P.L.1166, No.260), and amended or added  
 14 December 4, 1996 (P.L.906, No.146) and November 30, 2004  
 15 (P.L.1553, No.196), are amended and the section is amended by  
 16 adding a subsection to read:

17 Section 7. Contracts; Effect of Rescission.--(a) [Where]  
 18 (1) Except as otherwise provided in paragraph (2), where goods  
 19 or services having a sale price of twenty-five dollars (\$25) or

1 more are sold or contracted to be sold to a buyer, as a result  
2 of, or in connection with, a contact with or call on the buyer  
3 or resident at his residence either in person or by telephone,  
4 that consumer may avoid the contract or sale by notifying, in  
5 writing, the seller within three full business days following  
6 the day on which the contract or sale was made and by returning  
7 or holding available for return to the seller, in its original  
8 condition, any merchandise received under the contract or sale.  
9 Such notice of rescission shall be effective upon depositing the  
10 same in the United States mail or upon other service which gives  
11 the seller notice of rescission.

12 (2) Where goods or services having a sale price of twenty-  
13 five dollars (\$25) or more are sold or contracted to be sold to  
14 a buyer who is at least sixty-five years of age, as a result of,  
15 or in connection with, a contact with or call on the buyer or  
16 resident at his residence either in person or by telephone, that  
17 consumer may avoid the contract or sale by notifying, in  
18 writing, the seller within fifteen full business days following  
19 the day on which the contract or sale was made and by returning  
20 or holding available for return to the seller, in its original  
21 condition, any merchandise received under the contract or sale.  
22 Such notice of rescission shall be effective upon depositing the  
23 same in the United States mail or upon other service which gives  
24 the seller notice of rescission.

25 (b) [At] Except as otherwise provided under subsection  
26 (b.1), at the time of the sale or contract the buyer shall be  
27 provided with:

28 (1) A fully completed receipt or copy of any contract  
29 pertaining to such sale, which is in the same language (Spanish,  
30 English, etc.) as that principally used in the oral sales

1 presentation, and also in English, and which shows the date of  
2 the transaction and contains the name and address of the seller,  
3 and in immediate proximity to the space reserved in the contract  
4 for the signature of the buyer or on the front page of the  
5 receipt if a contract is not used and in bold face type of a  
6 minimum size of ten points, a statement in substantially the  
7 following form:

8 "You, the buyer, may cancel this transaction at any time  
9 prior to midnight of the third business day after the date of  
10 this transaction. See the attached notice of cancellation  
11 form for an explanation of this right."

12 (2) A completed form in duplicate, captioned "Notice of  
13 Cancellation," which shall be attached to the contract or  
14 receipt and easily detachable, and which shall contain in ten-  
15 point bold face type the following information and statements in  
16 the same language (Spanish, English, etc.) as that used in the  
17 contract:

18 Notice of Cancellation

19 (Enter Date of Transaction)

20 You may cancel this transaction, without any penalty or  
21 obligation, within three business days from the above date.

22 If you cancel, any property traded in, any payments made  
23 by you under the contract or sale, and any negotiable  
24 instrument executed by you will be returned within ten  
25 business days following receipt by the seller of your  
26 cancellation notice, and any security interest arising out of  
27 the transaction will be cancelled.

28 If you cancel, you must make available to the seller at  
29 your residence in substantially as good condition as when  
30 received, any goods delivered to you under this contract or

1 sale; or you may, if you wish, comply with the instructions  
2 of the seller regarding the return shipment of the goods at  
3 the seller's expense and risk.

4 If you do make the goods available to the seller and the  
5 seller does not pick them up within twenty days of the date  
6 of your notice of cancellation, you may retain or dispose of  
7 the goods without any further obligation.

8 If you fail to make the goods available to the seller, or  
9 if you agree to return the goods to the seller and fail to do  
10 so, then you remain liable for performance of all obligations  
11 under the contract.

12 To cancel this transaction, mail or deliver a signed and  
13 dated copy of this cancellation notice or any other written  
14 notice, or send a telegram, to (name of seller), at (address  
15 of seller's place of business) not later than midnight of  
16 (date).

17 I hereby cancel this transaction.

18 .....

19 (Date)

20 .....

21 (Buyer's Signature)

22 (b.1) For a buyer who is at least sixty-five years of age,  
23 the statement required by subsection (b) (1) shall be in the same  
24 form, except that the right to cancel shall state the fifteenth  
25 business day and the notice of cancellation required by  
26 subsection (b) (2) shall be in the same form, except that the  
27 right to cancel shall state the time period of fifteen business  
28 days.

29 (c) [Before] (1) Except as otherwise provided in paragraph  
30 (2), before furnishing copies of the "Notice of Cancellation" to

1 the buyer, both copies shall be completed by entering the name  
2 of the seller, the address of the seller's place of business,  
3 the date of the transaction, and the date, not earlier than the  
4 third business day following the date of the transaction, by  
5 which the buyer may give notice of cancellation.

6 (2) Before furnishing copies of the "Notice of Cancellation"  
7 to a buyer who is at least sixty-five years of age, both copies  
8 shall be completed by entering the name of the seller, the  
9 address of the seller's place of business, the date of the  
10 transaction, and the date, not earlier than the fifteenth  
11 business day following the date of the transaction, by which the  
12 buyer may give notice of cancellation.

13 \* \* \*

14 (j.1) (1) Rights afforded under this section may be waived  
15 only through the execution of an emergency authorization form:

16 (i) where goods or services have a sale price of twenty-five  
17 dollars (\$25) or more;

18 (ii) are contracted to be sold to a buyer as a result of or  
19 in connection with a contact made by the buyer to the seller;  
20 and

21 (iii) the goods or services contracted for are needed to  
22 remedy a bona fide emergency on the buyer's residential real  
23 property. Nothing in this subsection shall prohibit a seller  
24 contacted by a buyer as a result of a bona fide emergency from  
25 taking any immediate preliminary steps necessary to remedy a  
26 clear and immediate danger that may cause death or serious  
27 bodily injury to the buyer, the seller or other persons without  
28 having to obtain the emergency authorization form.

29 (2) To obtain a waiver under this section, the seller must  
30 furnish the buyer with an emergency work authorization form as

1 well as a written estimate of the goods or the performance of  
2 services. This authorization will allow the seller to  
3 immediately proceed with the delivery of the goods or the  
4 performance of the services necessary to remedy the bona fide  
5 emergency.

6 (3) [The] Except as otherwise provided in paragraph (3.1),  
7 the emergency work authorization form provided for in this  
8 section shall be:

9 (i) on a preprinted card at least four inches by six inches  
10 in size; and

11 (ii) the writing thereon must be in at least ten-point bold  
12 face type in the following form:

13 Emergency Work Authorization

14 (Enter Date of Transaction)

15 You, the buyer, having initiated the contract for the  
16 goods and services of (enter the name of the seller), the  
17 seller, for the remediation of a bona fide emergency hereby  
18 authorize the seller to immediately proceed with the delivery  
19 of goods or the performance of services necessary to remedy  
20 the bona fide emergency. By providing the seller with this  
21 authorization, you agree to make full payment for the goods  
22 or services provided. You agree not to exercise the rights  
23 afforded you by the Unfair Trade Practices and Consumer  
24 Protection Law to cancel the contract within three business  
25 days from the above date.

26 You, the buyer, attest that the attached estimate is an  
27 accurate description of the goods and services which will be  
28 provided by the seller for the correction of the bona fide  
29 emergency:

30 .....

1 (Date)

2 .....

3 (Buyer's Signature)

4 (3.1) For a buyer who is at least sixty-five years of age,  
5 the emergency work authorization form required under paragraph  
6 (3) (ii) shall state fifteen business days instead of three  
7 business days.

8 \* \* \*

9 Section 2. This act shall take effect in 60 days.