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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1977 Session of  
2024

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INTRODUCED BY PARKER, GREEN, KHAN, FREEMAN, SANCHEZ, KINSEY,  
WAXMAN, SCHLOSSBERG, CERRATO, CEPEDA-FREYTIZ, CIRESI, GAYDOS,  
HILL-EVANS, MAYES, NEILSON AND DALEY, JANUARY 31, 2024

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REFERRED TO COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY AND  
UTILITIES, JANUARY 31, 2024

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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 definitions and for  
7 unlawful acts or practices and exclusions.

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

10 Section 1. Sections 2(4) and 3(a) of the act of December 17,  
11 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and  
12 Consumer Protection Law, are amended to read:

13 Section 2. Definitions.--As used in this act.

14 \* \* \*

15 (4) "Unfair methods of competition" and "unfair or deceptive  
16 acts or practices" mean any one or more of the following:

17 (i) Passing off goods or services as those of another;

18 (ii) Causing likelihood of confusion or of misunderstanding

19 as to the source, sponsorship, approval or certification of

1 goods or services;

2 (iii) Causing likelihood of confusion or of misunderstanding  
3 as to affiliation, connection or association with, or  
4 certification by, another;

5 (iv) Using deceptive representations or designations of  
6 geographic origin in connection with goods or services;

7 (v) Representing that goods or services have sponsorship,  
8 approval, characteristics, ingredients, uses, benefits or  
9 quantities that they do not have or that a person has a  
10 sponsorship, approval, status, affiliation or connection that he  
11 does not have;

12 (vi) Representing that goods are original or new if they are  
13 deteriorated, altered, reconditioned, reclaimed, used or  
14 secondhand;

15 (vii) Representing that goods or services are of a  
16 particular standard, quality or grade, or that goods are of a  
17 particular style or model, if they are of another;

18 (viii) Disparaging the goods, services or business of  
19 another by false or misleading representation of fact;

20 (ix) Advertising goods or services with intent not to sell  
21 them as advertised;

22 (x) Advertising goods or services with intent not to supply  
23 reasonably expectable public demand, unless the advertisement  
24 discloses a limitation of quantity;

25 (xi) Making false or misleading statements of fact  
26 concerning the reasons for, existence of, or amounts of price  
27 reductions;

28 (xii) Promising or offering prior to time of sale to pay,  
29 credit or allow to any buyer, any compensation or reward for the  
30 procurement of a contract for purchase of goods or services with

1 another or others, or for the referral of the name or names of  
2 another or others for the purpose of attempting to procure or  
3 procuring such a contract of purchase with such other person or  
4 persons when such payment, credit, compensation or reward is  
5 contingent upon the occurrence of an event subsequent to the  
6 time of the signing of a contract to purchase;

7 (xiii) Promoting or engaging in any plan by which goods or  
8 services are sold to a person for a consideration and upon the  
9 further consideration that the purchaser secure or attempt to  
10 secure one or more persons likewise to join the said plan; each  
11 purchaser to be given the right to secure money, goods or  
12 services depending upon the number of persons joining the plan.  
13 In addition, promoting or engaging in any plan, commonly known  
14 as or similar to the so-called "Chain-Letter Plan," "Pyramid  
15 Club" or "Pyramid Promotional Scheme." The terms "Chain-Letter  
16 Plan" or "Pyramid Club" mean any scheme for the disposal or  
17 distribution of property, services or anything of value whereby  
18 a participant pays valuable consideration, in whole or in part,  
19 for an opportunity to receive compensation for introducing or  
20 attempting to introduce one or more additional persons to  
21 participate in the scheme or for the opportunity to receive  
22 compensation when a person introduced by the participant  
23 introduces a new participant. The term "Pyramid Promotional  
24 Scheme" means any plan or operation by which a person gives  
25 consideration for the opportunity to receive compensation that  
26 is derived primarily from the introduction of other persons into  
27 the plan or operation rather than from the sale and consumption  
28 of goods, services or intangible property by a participant or  
29 other persons introduced into the plan or operation. The term  
30 includes any plan or operation under which the number of people

1 who may participate is limited either expressly or by the  
2 application of conditions affecting the eligibility of a person  
3 to receive compensation under the plan or operation, and  
4 includes any plan or operation under which a person, on giving  
5 any consideration, obtains any goods, services or intangible  
6 property in addition to the right to receive compensation. As  
7 used in this subclause the term "consideration" means an  
8 investment of cash or the purchase of goods, other property,  
9 training or services, but does not include payments made for  
10 sales demonstration equipment and materials for use in making  
11 sales and not for resale furnished at no profit to any person in  
12 the program or to the company or corporation, nor does the term  
13 apply to a minimal initial payment of twenty-five dollars (\$25)  
14 or less;

15 (xiv) Failing to comply with the terms of any written  
16 guarantee or warranty given to the buyer at, prior to or after a  
17 contract for the purchase of goods or services is made;

18 (xv) Knowingly misrepresenting that services, replacements  
19 or repairs are needed if they are not needed;

20 (xvi) Making repairs, improvements or replacements on  
21 tangible, real or personal property, of a nature or quality  
22 inferior to or below the standard of that agreed to in writing;

23 (xvii) Making solicitations for sales of goods or services  
24 over the telephone without first clearly, affirmatively and  
25 expressly stating:

26 (A) the identity of the seller;

27 (B) that the purpose of the call is to sell goods or  
28 services;

29 (C) the nature of the goods or services; and

30 (D) that no purchase or payment is necessary to be able to

1 win a prize or participate in a prize promotion if a prize  
2 promotion is offered. This disclosure must be made before or in  
3 conjunction with the description of the prize to the person  
4 called. If requested by that person, the telemarketer must  
5 disclose the no-purchase/no-payment entry method for the prize  
6 promotion;

7 (xviii) Using a contract, form or any other document related  
8 to a consumer transaction which contains a confessed judgment  
9 clause that waives the consumer's right to assert a legal  
10 defense to an action;

11 (xix) Soliciting any order for the sale of goods to be  
12 ordered by the buyer through the mails or by telephone unless,  
13 at the time of the solicitation, the seller has a reasonable  
14 basis to expect that it will be able to ship any ordered  
15 merchandise to the buyer:

16 (A) within that time clearly and conspicuously stated in any  
17 such solicitation; or

18 (B) if no time is clearly and conspicuously stated, within  
19 thirty days after receipt of a properly completed order from the  
20 buyer, provided, however, where, at the time the merchandise is  
21 ordered, the buyer applies to the seller for credit to pay for  
22 the merchandise in whole or in part, the seller shall have fifty  
23 days, rather than thirty days, to perform the actions required  
24 by this subclause;

25 (xx) Failing to inform the purchaser of a new motor vehicle  
26 offered for sale at retail by a motor vehicle dealer of the  
27 following:

28 (A) that any rustproofing of the new motor vehicle offered  
29 by the motor vehicle dealer is optional;

30 (B) that the new motor vehicle has been rustproofed by the

1 manufacturer and the nature and extent, if any, of the  
2 manufacturer's warranty which is applicable to that  
3 rustproofing;

4 The requirements of this subclause shall not be applicable and a  
5 motor vehicle dealer shall have no duty to inform if the motor  
6 vehicle dealer rustproofed a new motor vehicle before offering  
7 it for sale to that purchaser, provided that the dealer shall  
8 inform the purchaser whenever dealer rustproofing has an effect  
9 on any manufacturer's warranty applicable to the vehicle. This  
10 subclause shall not apply to any new motor vehicle which has  
11 been rustproofed by a motor vehicle dealer prior to the  
12 effective date of this subclause[.];

13 (xxi) Failing to conspicuously display or otherwise clearly  
14 disclose any surcharge, fee or fine relating to a credit card or  
15 debit card transaction to a customer; or

16 (xxii) Engaging in any other fraudulent or deceptive conduct  
17 which creates a likelihood of confusion or of misunderstanding.

18 \* \* \*

19 Section 3. Unlawful Acts or Practices; Exclusions.--(a)  
20 Unfair methods of competition and unfair or deceptive acts or  
21 practices in the conduct of any trade or commerce as defined by  
22 subclauses (i) through [(xxi)] (xxii) of clause (4) of section 2  
23 of this act and regulations promulgated under section 3.1 of  
24 this act are hereby declared unlawful. The provisions of this  
25 act shall not apply to any owner, agent or employe of any radio  
26 or television station, or to any owner, publisher, printer,  
27 agent or employe of an Internet service provider or a newspaper  
28 or other publication, periodical or circular, who, in good faith  
29 and without knowledge of the falsity or deceptive character  
30 thereof, publishes, causes to be published or takes part in the

1 publication of such advertisement.

2 \* \* \*

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