THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 129

Session of 2025

INTRODUCED BY BOROWSKI, VENKAT, GIRAL, HOWARD, PROBST, KHAN, CIRESI, SANCHEZ, HADDOCK, SHUSTERMAN, GUENST AND PROKOPIAK, JANUARY 16, 2025

REFERRED TO COMMITTEE ON COMMUNICATIONS AND TECHNOLOGY, JANUARY 16, 2025

AN ACT

Amending the act of December 17, 1968 (P.L.1224, No.387), 1 entitled "An act prohibiting unfair methods of competition 2 and unfair or deceptive acts or practices in the conduct of any trade or commerce, giving the Attorney General and District Attorneys certain powers and duties and providing 5 penalties," further providing for definitions. 6 The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: 8 9 Section 1. Section 2(4) of the act of December 17, 1968 10 (P.L.1224, No.387), known as the Unfair Trade Practices and 11 Consumer Protection Law, is amended by adding a subclause to 12 read: Section 2. Definitions. -- As used in this act. 13 14 * * * 15 (4) "Unfair methods of competition" and "unfair or deceptive 16 acts or practices" mean any one or more of the following: 17 * * * (xx.1) Using a form or other document related to a consumer 18 transaction that contains an automatic renewal provision or a 19

- 1 provision creating any other form of negative option plan. For
- 2 purposes of this subclause, the following shall apply:
- 3 (A) The term "negative option plan" means a transaction that
- 4 involves a seller and a consumer and includes the sending of
- 5 goods or performance of services not actually ordered or
- 6 requested by the consumer or that the consumer must opt out from
- 7 <u>ordering or receiving, unless:</u>
- 8 (I) The provision regarding the transaction is specified in
- 9 a clear and conspicuous manner, is in at least twelve-point
- 10 type, is boldfaced and includes all of the following:
- 11 (a) The specific procedure by which the consumer may cancel
- 12 at the end of the initial term and the terms of the automatic
- 13 <u>renewal.</u>
- 14 (b) An acknowledgment that includes the automatic renewal_
- 15 offer terms and information regarding how to cancel in a manner
- 16 that is capable of being retained by the consumer.
- 17 (c) A quarantee that the seller will notify the consumer
- 18 before the automatic renewal occurs:
- 19 (i) Not more than fifteen days before a renewal period of
- 20 less than three months.
- 21 (ii) Not more than thirty days before a renewal period of
- 22 three months or more.
- 23 (iii) Using means of communication chosen by the consumer.
- 24 (II) The renewal period does not exceed twelve months.
- 25 (III) If the offer includes a free, discounted or otherwise
- 26 different introductory trial, all of the following apply:
- 27 (a) The seller discloses in the acknowledgment required
- 28 under subunit (I)(b) how to cancel and allow the consumer to
- 29 cancel before the consumer pays the full amount for the goods or
- 30 services.

- 1 (b) At the initiation of an introductory trial period, the
- 2 <u>seller discloses a description of all charges that will be</u>
- 3 imposed after the introductory trial period ends, including
- 4 <u>whether billing will include charges for shipping and handling</u>
- 5 and the amount of the shipping and handling charges.
- 6 (IV) The means of cancellation available to the consumer are
- 7 <u>identical to the means by which the consumer may agree to the</u>
- 8 provision.
- 9 (V) The seller does not make or submit a charge to the
- 10 consumer's credit card, debit card, bank account, account with a
- 11 third party or other financial account, unless the seller has
- 12 complied with the requirements of this subclause and obtained
- 13 the consumer's affirmative consent to the agreement containing
- 14 the terms of the automatic renewal. As used in this subunit, the
- 15 term "affirmative consent":
- 16 (a) Means a clear, affirmative act signifying the consumer's
- 17 freely given, specific, informed and unambiguous agreement to
- 18 the automatic renewal or continuous service terms.
- 19 <u>(b) Includes a written statement, including a statement</u>
- 20 written by electronic means, or an unambiguous affirmative
- 21 action.
- 22 (B) This subclause shall not apply to any of the following:
- 23 (I) A business entity that is subject to the act of December
- 24 21, 1989 (P.L.672, No.87), known as the "Health Club Act."
- 25 (II) A service provided by a business entity or its
- 26 affiliate in accordance with a franchise issued by a political
- 27 subdivision.
- 28 (III) A service provided by a business entity or its
- 29 <u>affiliate for which the business entity or its affiliate is</u>
- 30 regulated by the Federal Communications Commission, the Federal

- 1 Energy Regulatory Commission or the Pennsylvania Public Utility
- 2 Commission.
- 3 (IV) A business-to-business or business-to-government
- 4 <u>enterprise for products or software.</u>
- 5 (V) An entity regulated by the Insurance Department.
- 6 (VI) A contract subject to 66 Pa.C.S. Ch. 22 (relating to
- 7 <u>natural gas competition</u>) or 28 (relating to restructuring of
- 8 <u>electric utility industry</u>).
- 9 * * *
- 10 Section 2. This act shall take effect in 60 days.