



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 116

PRINTER'S NO. 3755

PRIME SPONSOR: Ciresi

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: HB 116 PN 3755 requires companies to provide automatic renewal notification and allows subscribers to cancel subscription services online if they initially subscribed over the internet. This legislation will take effect in 60 days.

ANALYSIS: This legislation amends Act 387 of 1968 (Unfair Trade Practices and Consumer Protection Act) by defining "Clear and conspicuous" and "Consumer." In addition, the legislation requires entities that provide either automatic renewal offers, continuous service offers for goods or services to consumers to do the following:

- Provide a consumer with renewal terms that include a clear and conspicuous explanation of price and changes thereof, cancellation policy, and steps to cancel a subscription
- Provide renewal offers in a clear and conspicuous manner
- Allow a subscriber who renews automatically over the internet to cancel over the internet
- Prohibit the intentional misrepresentation of the terms of renewal or continuous service offers
- Provide subscribers notice of change of terms that is clear and visible

Furthermore, the provisions of this legislation do not apply to the following:

- entities who are subject to Act 87 of 1989 (Health Club Act)
- entities or their affiliates who are regulated by the Federal Trade Commission (FTC), Federal Energy Regulatory Commission (FERC), or Pennsylvania Utility Commission (PUC)
- contracts which are subject to Title 66 (Public Utilities) Chapter 22 (relating to natural gas competition) or Chapter 28 (relating to restructuring of electric utility industry)

FISCAL IMPACT: The enactment of this legislation would have a de minimis fiscal impact on commonwealth funds, specifically the General Fund, as the legislation simply provides for the ability of subscribers to cancel subscription services and requires companies to provide renewal notifications. The fiscal impact would be a function of the collection of any fines based on violations of the Unfair Trade Practices and Consumer Protection Act, related to the changes contained within this bill. As a result of the unknown nature of the number of potential violations, the infrequency of anticipated occurrences, and the ability of the Commission to address any investigation with existing resources, we deem that the fiscal impact would be de minimis.

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House Appropriations Committee (D)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.