

AN ACT

1
2 Amending Titles 12 (Commerce and Trade) and 42 (Judiciary and
3 Judicial Procedure) of the Pennsylvania Consolidated
4 Statutes, providing for fair franchises; and, in limitation
5 of time, further providing for one year limitation and for
6 four year limitation.

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

9 Section 1. Title 12 of the Pennsylvania Consolidated
10 Statutes is amended by adding a chapter to read:

11 CHAPTER 55

12 FAIR FRANCHISES

13 Sec.

14 5501. Short title of chapter.

15 5502. Declaration of policy.

16 5503. Definitions.

17 5504. Applicability.

18 5505. Termination and opportunity to cure.

19 5506. Renewal of the franchise and notice.

1 5507. Unfair acts and practices.

2 5508. Transfer.

3 5509. Termination.

4 5510. Good faith and fair dealing.

5 5511. Indemnification.

6 5512. Enforcement.

7 5513. Mediation and actions.

8 5514. Void provisions.

9 5515. Construction.

10 § 5501. Short title of chapter.

11 This act shall be known and may be cited as the Fair
12 Franchise Act.

13 § 5502. Declaration of policy.

14 (a) Declarations.--The General Assembly finds and declares
15 as follows:

16 (1) Franchise businesses represent a large and growing
17 segment of this Commonwealth's retail and service businesses
18 and are rapidly replacing more traditional forms of small
19 business ownership in this Commonwealth.

20 (2) Franchise businesses involve a joint enterprise
21 between the franchisor and franchisee in which each party has
22 a vested interest and equity in the franchised business.

23 (3) Most prospective franchisees lack bargaining power
24 and generally invest substantial amounts to obtain a
25 franchise business when they are unfamiliar with operating a
26 business, with the business being franchised and with
27 industry practices in franchising.

28 (4) Many franchises reflect a profound imbalance of
29 contractual power in favor of the franchisor, and fail to
30 give due regard to the legitimate business interests of the

1 franchisee, as a result of the franchisor reserving pervasive
2 contractual rights over the franchise relationship.

3 (5) Franchisees may suffer substantial financial losses
4 when the franchisor does not act in good faith in the
5 performance of the franchise agreement.

6 (6) Traditional common law doctrines have not evolved
7 sufficiently to protect franchisees adequately from
8 fraudulent or unfair practices in the sale and operation of
9 franchise businesses and significant contractual and
10 procedural restrictions have denied franchisees adequate
11 legal recourse to protect the franchisees' interests in the
12 businesses.

13 (7) A franchisee's freedom to contract is greatly
14 limited by the disparity of bargaining power and lack of
15 consistent legal standards and other factors. This act is
16 necessary to restore freedom to contract and to remove
17 restrictive barriers impeding entry into industries and
18 markets dominated by franchise systems.

19 (b) Purposes.--The underlying purposes and policies of this
20 chapter are as follows:

21 (1) To promote the compelling interest of the public in
22 fair business relations between franchisees and franchisors.

23 (2) To protect franchisees against unfair treatment by
24 franchisors who inherently have superior economic power and
25 superior bargaining power in the negotiation of the business.

26 (3) To provide franchisees with rights and remedies in
27 addition to those existing by contract or common law.

28 (4) To govern franchise agreements, including any
29 renewals or amendments, to the full extent consistent with
30 the Constitution of the United States and the Constitution of

1 Pennsylvania.

2 § 5503. Definitions.

3 The following words and phrases when used in this chapter
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Affiliate." An entity controlled by, controlling or under
7 common control with another entity.

8 "Franchise." As follows:

9 (1) Any of the following:

10 (i) An express or implied agreement between a
11 franchisor and a franchisee, whether oral or written,
12 which includes all the following:

13 (A) The franchisee is granted the right to
14 offer, sell or distribute goods or services under a
15 marketing plan or system prescribed or suggested in
16 substantial part by the franchisor.

17 (B) The operation of the business is allowed to
18 be substantially associated with a registered
19 trademark, service mark, trade name, logotype,
20 advertising or other commercial symbol owned,
21 controlled or used by the franchisor.

22 (C) The franchisee is required to pay a
23 franchise fee.

24 (ii) An area franchise.

25 (iii) A subfranchise.

26 (iv) A commercial relationship entered into in
27 reasonable reliance on representations of the criteria
28 under subparagraph (i).

29 (v) A commercial relationship explicitly referred to
30 as a franchise by the seller.

1 (2) The term does not include any of the following:

2 (i) A nonprofit organization, operated on a
3 cooperative basis by and for independent retailers, which
4 wholesales goods and services primarily to the
5 organization's member retailers and to which all of the
6 following apply:

7 (A) Each member has substantially the same
8 control and ownership of the cooperative control and
9 ownership is apportioned by number of retail units
10 owned.

11 (B) Only persons that will avail themselves of
12 the services furnished by the organization may be
13 members.

14 (C) Transfer of ownership is prohibited or
15 limited.

16 (D) Capital investment receives no return.

17 (E) Benefits to members are made on the basis of
18 patronage of the cooperative or on the basis of
19 retail units owned.

20 (F) A member is not personally liable for
21 obligations of the organization in the absence of a
22 direct undertaking or authorization by the member.

23 (G) Services of the organization are furnished
24 primarily for the use of a member.

25 (H) No part of the receipts, income or profit of
26 the organization is paid to a for-profit entity. This
27 subparagraph does not include an arm's-length payment
28 for necessary goods and services.

29 (I) A member is not required to purchase goods
30 or services from a designated for-profit entity other

1 than an approved supplier selected on an objective
2 basis.

3 (ii) A contract regulated by the Petroleum Marketing
4 Practices Act (Public Law 95-297, 15 U.S.C. § 2801 et
5 seq.).

6 (iii) A contract or business relationship between a
7 contractor and an automobile club that is a nonprofit
8 corporation and that:

9 (A) directs or refers the automobile club's
10 members and other customers to the contractor for
11 roadside assistance, auto battery replacement, auto
12 repair, auto body repair or other motor-vehicle-
13 related services; or

14 (B) authorizes the contractor to display the
15 automobile club's registered trademark, service mark
16 or other commercial symbol as an indication of the
17 contractor's affiliation with the automobile club.

18 (3) The term does not apply to distribution agreements
19 under section 431 of the act of April 12, 1951 (P.L.90,
20 No.21), known as the Liquor Code.

21 "Franchisee." A person who is granted a franchise.

22 "Franchisor." A person who grants a franchise.

23 "Good faith." Honesty in fact and the observance of
24 commercial standards of fair dealing.

25 "Person." An individual, a corporation, a partnership, a
26 limited liability company, a joint venture, an association, a
27 joint stock company, a trust or an unincorporated organization.

28 "Required payment." All consideration that the franchisee
29 must pay to the franchisor or an affiliate, either by contract
30 or by practical necessity, as a condition of obtaining,

1 commencing operation, continuing in, reinstating or renewing a
2 franchise. The term does not include payments for the purchase
3 of reasonable amounts of inventory at bona fide, wholesale
4 prices for resale or lease.

5 § 5504. Applicability.

6 A person who engages directly or indirectly in contracts in
7 this Commonwealth in connection with the offering or advertising
8 for sale or has business dealings with respect to franchises in
9 this Commonwealth shall be subject to this chapter and shall be
10 subject to the jurisdiction of the courts of this Commonwealth
11 upon service of process.

12 § 5505. Termination and opportunity to cure.

13 (a) Termination.--A franchisor may not, directly or through
14 an officer, agent or employee, terminate or cancel a franchise,
15 nor substantially change the competitive circumstances of a
16 franchise agreement except for good cause shown.

17 (b) Good cause required.--Good cause shall be based upon a
18 legitimate business reason which shall include the franchisee's
19 refusal or failure to comply with any express obligation of the
20 franchise agreement. The franchisor shall have the burden of
21 proving good cause.

22 (c) Defaults.--A default under one franchise agreement may
23 not solely constitute a default under another franchise
24 agreement to which the franchisee or an affiliate of the
25 franchisee is a party.

26 (d) Notice.--Except as provided in subsection (e), prior to
27 termination or cancellation of the franchise, the franchisor
28 shall give the franchisee written notice at least 45 days in
29 advance of the termination and the written notice shall be in
30 accordance with the following:

1 (1) The notice shall state all of the reasons
2 constituting good cause for termination or cancellation.

3 (2) The notice shall provide that the franchisee has 30
4 days in which to rectify any claimed discrepancy.

5 (e) Exceptions.--The following time frames for written
6 notice shall apply:

7 (1) Notice of immediate termination may be given if a
8 franchisee is convicted in a court of competent jurisdiction
9 of an offense:

10 (i) punishable by a term of imprisonment in excess
11 of one year;

12 (ii) directly related to the business conduct of the
13 franchise;

14 (iii) materially impairing the goodwill value of the
15 franchise or the franchisor's registered trademark; and

16 (iv) no longer appealable.

17 (2) Notice may be given at any time following the date
18 on which the conviction under paragraph (1) is no longer
19 appealable and shall be effective upon delivery and written
20 receipt of the notice.

21 (3) A franchisor may not collect a financial penalty or
22 fee as a consequence of the conviction.

23 (4) Following immediate written notice, 24 hours shall
24 be given from receipt of the notice if the reason for
25 termination or cancellation is a violation of a law,
26 regulation or standard relating to an imminent danger to
27 public health or safety. The franchisee may cure the
28 violation in that 24-hour period.

29 (5) Following written notice, if the reason for
30 termination or cancellation is nonpayment of money due under

1 the franchise agreement, the franchisee shall be entitled to
2 10 days to cure the default. A franchisee has the right to
3 cure three times in any 12-month period during the agreement.

4 (6) Fifteen days' notice shall be required if the reason
5 for termination is voluntary abandonment by the franchisee of
6 the franchise relationship.

7 (f) Termination by franchisee.--A franchisee may terminate a
8 franchise agreement for good cause shown, without penalty or
9 fees. Good cause shall include changes to the franchise system
10 or the competitive circumstances of the franchise agreement
11 created or expressly required by the franchisor which would
12 cause substantial negative impact or substantial financial
13 hardship to the franchisee in the operation of the franchise.
14 § 5506. Renewal of the franchise and notice.

15 (a) Good cause required.--A franchisor may not, directly or
16 through an officer, agent or employee, fail to renew a
17 franchise, except for good cause shown.

18 (b) Legitimate business reasons.--Good cause shall be based
19 upon a legitimate business reason which shall include the
20 franchisee's refusal or failure to comply substantially with any
21 material, reasonable and reasonably necessary express obligation
22 of the franchise agreement, including repeated and intentional
23 nonpayment of royalties, advertising or marketing fees clearly
24 required by the franchise agreement.

25 (c) Good faith required.--The franchisor is obligated to act
26 in good faith and in accordance with the following:

27 (1) A franchisor may not refuse to renew a franchise for
28 an arbitrary or capricious reason or for the financial gain
29 of the franchisor or any affiliate of the franchisor.

30 (2) A duty of good faith shall obligate a party to a

1 franchise to:

2 (i) do nothing that will have the effect of
3 destroying or injuring the right of the other party to
4 obtain and receive the expected results of the contract;
5 and

6 (ii) do everything required under the contract to
7 accomplish that purpose.

8 (d) Notice.--Before nonrenewal of the franchise, the
9 franchisor shall give the franchisee written notice at least 90
10 days in advance of the nonrenewal. The notice shall state all of
11 the reasons constituting good cause for the nonrenewal and shall
12 advise that the franchisee has 60 days in which to rectify any
13 claimed discrepancy and reinstate the franchisee's right to
14 renew the franchise.

15 § 5507. Unfair acts and practices.

16 (a) Violation.--A violation of a provision of this chapter
17 shall constitute an unfair method of competition and unfair or
18 deceptive act or practice within the meaning of section 2(4) of
19 the act of December 17, 1968 (P.L.1224, No.387), known as the
20 Unfair Trade Practices and Consumer Protection Law, and shall be
21 subject to the enforcement provisions, civil penalties and
22 private rights of action contained in the Unfair Trade Practices
23 and Consumer Protection Law.

24 (b) Prohibited acts.--A franchisor may not directly or
25 indirectly do any of the following through an affiliate,
26 officer, agent or employee:

27 (1) Restrict a franchisee from associating with other
28 franchisees or from joining, leading or otherwise
29 participating in a trade or other association or retaliate
30 against a franchisee for engaging in the activity.

1 (2) Require or prohibit a change in management of a
2 franchise unless the requirement or prohibition of the change
3 is for good cause, which must be stated in writing by the
4 franchisor and be based on violations of material express
5 provisions of the franchise agreement. Good cause shall
6 include requiring that management of the franchise is
7 conducted by personnel who have been trained in the manner
8 required of each franchise manager in the system.

9 (3) (i) Impose on a franchise by a written or oral
10 contract, manual, policy, rule or regulation, a standard
11 of conduct or performance unless the franchisor, the
12 franchisor's agents or representatives sustain the burden
13 of proving the standard to be uniformly enforced and
14 applied throughout the franchisor's system of similarly
15 situated franchisees, franchisor-owned retail units and
16 licensees in substantially the same manner.

17 (ii) Notwithstanding subparagraph (i), it shall not
18 be a violation of this chapter for a franchisor to
19 provide forbearance to a franchisee as a means of
20 assistance to the franchisee in performing the
21 franchisee's obligations under the franchise agreement or
22 in operating the franchisee's franchise in exigent
23 circumstances.

24 (4) Fail to deal fairly and in good faith with a
25 franchisee or an association or other aggregation or
26 incorporation of franchisees in any matter, including,
27 without limitation, transfer of the franchise, administration
28 of advertising funds, rewards programs, marketing funds and
29 the interpretation, administration and performance of
30 franchise and area development or territory agreements.

1 (5) Sell, rent or offer to sell to a franchisee a
2 product or service for more than a fair and reasonable price
3 or without the reasonable expectation that the sale or rental
4 of the product will promote the profitability of the
5 franchisee's business.

6 (6) (i) Discriminate between franchises in the charges
7 offered or made for royalties, goods, services,
8 equipment, rentals, advertising services or in any other
9 business dealing, unless each of the following apply:

10 (A) The discrimination between franchisees would
11 be necessary to allow a particular franchisee to
12 fairly meet competition in the open market.

13 (B) The discrimination does not adversely affect
14 the business of an existing franchisee.

15 (C) To the extent that the franchisor satisfies
16 the burden of proving that a classification of or
17 discrimination between franchisees is reasonable, the
18 discrimination is based on franchises granted at
19 materially different times, is reasonably related to
20 the difference in time or on other proper and
21 justifiable distinctions and is not arbitrary or
22 intended to be for the benefit of the franchisor at
23 the expense of a franchisee.

24 (ii) Nothing under this paragraph shall be construed
25 as granting to a franchisor a right which may be limited
26 by Federal or State law.

27 (7) Notify the franchisee of a claimed breach of
28 franchise agreement for good cause not later than 180 days
29 from the date good cause arises or not later than 180 days
30 after the franchisor knew or, in the exercise of reasonable

1 care, should have known of the claimed good cause.

2 (8) Fail to make readily available to a franchisee,
3 without charge, true, accurate and complete copies of each
4 record of marketing, rewards program, advertising fund and
5 fee that has been paid by a franchisee, vendor, supplier and
6 licensee.

7 (9) Coerce a franchisee to assent to a release,
8 assignment, novation, waiver or estoppel which would
9 prospectively relieve a person from liability imposed by this
10 chapter.

11 (10) Require or demand that a franchisee pay liquidated
12 or other posttermination damages in excess of the average
13 monthly royalty fees paid by the franchisee during the prior
14 12-calendar months or a shorter time that a franchised
15 location has been in the system, multiplied by the lesser of
16 six months or the number of months remaining in the term of
17 the franchise agreement.

18 (11) Engage in an act prohibited under this chapter,
19 directly or indirectly through an affiliate or agent on the
20 part of the franchisor or an affiliate of the franchisor.

21 (12) Require or demand that a franchisee pay the legal
22 fees and related expenses of the franchisor or an affiliate
23 of the franchisor in a dispute or proceeding, by contract or
24 otherwise, unless the franchisor is the prevailing party. A
25 provision in a contract in violation of this paragraph shall
26 be void.

27 § 5508. Transfer.

28 (a) General rule.--A franchisee may not transfer, assign or
29 sell a franchise or interest in a franchise unless the
30 franchisor is notified in writing of the following:

1 (1) The prospective transferee or buyer's name and
2 address.

3 (2) A statement of financial qualification and business
4 experience during the previous five years.

5 (b) Approval or denial.--

6 (1) A franchisor must, within 30 days after receipt of
7 the notice under subsection (a), do one of the following:

8 (i) Provide written approval to the franchisee for
9 the transfer, assignment or sale to the proposed
10 transferee.

11 (ii) Deny the proposed transferee or buyer and
12 provide material reasons relating to the character,
13 financial ability or business experience of the proposed
14 transferee or buyer.

15 (2) If the franchisor does not reply within the 30-day
16 period under paragraph (1), the franchisor's approval shall
17 be deemed to be granted.

18 (c) Agreement to requirements.--A transfer, assignment or
19 sale may not be valid unless the transferee agrees in writing to
20 comply with each of the requirements of the franchise then in
21 effect.

22 (d) Fees.--A fee imposed by the franchisor as a condition of
23 the transfer shall be limited to the franchisor's reasonable
24 out-of-pocket expenses incurred in reviewing and approving the
25 transfer.

26 (e) Violation.--It shall be a violation of this chapter for
27 a franchisor to prohibit or interfere with:

28 (1) The transfer of a franchise and the rights of a
29 franchisee to a qualified purchaser, including a family
30 member or business partner directly or by imposing

1 unreasonable stipulations or penalties on a transfer.

2 (2) The transfer by will or other lawful probate or
3 similar procedure of a franchise and the rights of a
4 franchisee.

5 § 5509. Termination.

6 (a) Compensation.--Upon termination of a franchise, the
7 following shall apply:

8 (1) Except as provided under subsection (b), the
9 franchisor must fairly compensate the franchisee or
10 franchisee's estate for the fair market value at the time of
11 termination for the following:

12 (i) The franchise.

13 (ii) The franchisee's inventory, supplies, equipment
14 and furnishings purchased by the franchisee from the
15 franchisor or the franchisor's approved sources.

16 (iii) The fair market value of good will, if any,
17 except for personalized items which have no value to the
18 franchisor and inventory, supplies, equipment and
19 furnishings not reasonably required in the conduct of the
20 franchise business.

21 (2) A franchisor may offset against amounts owed to a
22 franchisee under this subsection any amount mutually agreed
23 upon and owed by the franchisee to the franchisor which is
24 not the subject of a good faith dispute by the franchisee.

25 (b) Limitations.--

26 (1) Subsection (a) shall not apply to the following:

27 (i) Voluntary relinquishment or abandonment of the
28 franchise by the franchisee.

29 (ii) Expiration of the franchise agreement if the
30 franchisee does not elect to renew.

1 (2) Compensation of the good will of the franchisee
2 shall not be required to be made to a franchisee if the
3 franchisor agrees in writing not to enforce a covenant which
4 restrains the franchisee from competing with the franchisor
5 in the same or substantially similar business in the same or
6 substantially similar manner at the same location using the
7 same property except the franchisor's registered trademark or
8 trade name.

9 (c) Construction.--This section shall not be construed to
10 permit the termination or nonrenewal of a franchise agreement
11 except in accordance with the express terms of the franchise
12 agreement and this chapter.

13 § 5510. Good faith and fair dealing.

14 Each franchisor shall owe a duty of good faith, as described
15 under section 5506(c) (relating to renewal of the franchise and
16 notice), and fair dealing to each franchisee.

17 § 5511. Indemnification.

18 (a) Duty.--A franchisor must indemnify and hold harmless a
19 franchisee from financial loss and expense, including legal fees
20 and costs, arising out of a claim, demand, suit or judgment by
21 reason of a defect in merchandise, methods or procedures
22 prescribed by the franchisor and required to be performed by the
23 franchisee, except for the negligent act or willful misconduct
24 of the franchisee which causes the loss or expense.

25 (b) Liability.--A franchisee, franchisee association or
26 cooperative of franchisees shall not be liable for the
27 negligence or misconduct of a supplier or distributor of
28 products or services prescribed by the franchisor or for the
29 failure of a product or service prescribed by the franchisor
30 which is not fit for the particular purpose for which the

1 product or service was prescribed or any related purpose. A
2 contractual provision in contradiction with this subsection
3 shall be void as against public policy.

4 § 5512. Enforcement.

5 (a) Action.--If a franchisor violates a provision of this
6 chapter, a franchisee may bring an action against the franchisor
7 in a court of competent jurisdiction of this Commonwealth for
8 any of the following:

9 (1) Damages sustained by the franchisee as a consequence
10 of the franchisor's violation.

11 (2) The actual costs of the action, including
12 reasonable, actual attorney fees.

13 (3) Injunctive relief against unlawful termination,
14 cancellation or nonrenewal.

15 (b) Governance and jurisdiction.--Notwithstanding a term or
16 provision of a franchise agreement to the contrary, the
17 following shall apply:

18 (1) The laws of this Commonwealth shall govern the
19 interpretation of the franchise agreement of a franchise
20 located in this Commonwealth and the performance of the
21 parties.

22 (2) The Federal courts with jurisdiction over cases
23 filed in a district in this Commonwealth and courts of this
24 Commonwealth shall have exclusive jurisdiction with respect
25 to an action brought under this chapter or an action brought
26 by a franchisor concerning a franchise located in this
27 Commonwealth.

28 (c) Attorney General.--On the written request of a
29 franchisor or a franchisee, the Attorney General may enforce
30 compliance with this chapter.

1 § 5513. Mediation and actions.

2 (a) Mediation.--A clause or provision in a franchise
3 agreement requiring the parties to submit to nonbinding
4 mediation as a precondition to litigation or arbitration shall
5 be enforceable only if the mediation is conducted at a location
6 within this Commonwealth and reasonably convenient to the
7 franchisee.

8 (b) Actions.--Nothing in a franchise agreement may deprive a
9 franchisee from participating as a member of a class action or
10 in a consolidated action.

11 § 5514. Void provisions.

12 A provision in a franchise agreement which requires a party
13 to the agreement to commence an action within a shorter period
14 than allowed under 42 Pa.C.S. §§ 5523 (relating to one year
15 limitation) and 5525 (relating to four year limitation) shall be
16 void as against public policy.

17 § 5515. Construction.

18 (a) Liberal construction.--This chapter shall be liberally
19 construed and applied to promote this chapter's underlying
20 remedial purposes and policies.

21 (b) Effect.--The effect of this chapter may not be varied or
22 waived by contract or agreement. A contract or agreement
23 purporting to vary or waive the effect of this chapter shall be
24 void and unenforceable to that extent only.

25 Section 2. Sections 5523 and 5525 of Title 42 are amended to
26 read:

27 § 5523. One year limitation.

28 The following actions and proceedings must be commenced
29 within one year:

30 (1) An action for libel, slander or invasion of privacy.

1 (2) An action upon a bond given as security by a party
2 in any matter, except a bond given by a condemnor in an
3 eminent domain proceeding.

4 (3) An action upon any payment or performance bond.

5 (4) An action under 12 Pa.C.S. Ch. 55 (relating to fair
6 franchises) accruing during the pendency of a civil, criminal
7 or administrative proceeding against a person brought by the
8 United States or any Federal agency under a Federal act or
9 brought by the Commonwealth or any of the Commonwealth's
10 political subdivisions under the laws of this Commonwealth
11 related to antitrust laws or to franchising, the action must
12 be commenced within one year after the final disposition of
13 the civil, criminal or administrative proceeding.

14 § 5525. Four year limitation.

15 (a) General rule.--Except as provided for in subsection (b),
16 the following actions and proceedings must be commenced within
17 four years:

18 (1) An action upon a contract, under seal or otherwise,
19 for the sale, construction or furnishing of tangible personal
20 property or fixtures.

21 (2) Any action subject to 13 Pa.C.S. § 2725 (relating to
22 statute of limitations in contracts for sale).

23 (3) An action upon an express contract not founded upon
24 an instrument in writing.

25 (4) An action upon a contract implied in law, except an
26 action subject to another limitation specified in this
27 subchapter.

28 (5) An action upon a judgment or decree of any court of
29 the United States or of any state.

30 (6) An action upon any official bond of a public

1 official, officer or employee.

2 (7) An action upon a negotiable or nonnegotiable bond,
3 note or other similar instrument in writing. Where such an
4 instrument is payable upon demand, the time within which an
5 action on it must be commenced shall be computed from the
6 later of either demand or any payment of principal or
7 interest on the instrument.

8 (8) An action upon a contract, obligation or liability
9 founded upon a writing not specified in paragraph (7), under
10 seal or otherwise, except an action subject to another
11 limitation specified in this subchapter.

12 (9) An action arising out of 12 Pa.C.S. Ch. 55 (relating
13 to fair franchises), except as provided under section 5523
14 (relating to one year limitation).

15 (b) Special provisions.--

16 (1) An action subject to section 8315 (relating to
17 damages in actions for identity theft) must be commenced
18 within four years of the date of the offense or four years
19 from the date of the discovery of the identity theft by the
20 plaintiff.

21 (2) If a person liable under 12 Pa.C.S. Ch. 55
22 fraudulently conceals the cause of action from the knowledge
23 of the person entitled to bring the action, the period prior
24 to the discovery of the cause of action by the person
25 entitled to bring the cause of action shall be excluded in
26 determining the time limit for the commencement of the
27 action.

28 Section 3. This act shall apply to contracts entered into or
29 renewed on or after the effective date of the addition of 12
30 Pa.C.S. Ch. 55.

1 Section 4. This act shall take effect in 60 days.