

Regular Session, 2012

HOUSE BILL NO. 278

BY REPRESENTATIVE LEBAS

CONSUMERS/PROTECTION: Requires service providers who participate in third-party billing to obtain written authorization from the consumer prior to billing the consumer

1 AN ACT

2 To enact R.S. 51:1422, relative to unfair or deceptive trade practices; to regulate third-party  
3 billing by service providers; to provide for express authorization; to provide for  
4 violations; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:1422 is hereby enacted to read as follows:

7 §1422. Unfair or deceptive trade practices; third-party billing; express authorization;  
8 violations

9 A. For purposes of this Section, the following terms shall have the following  
10 meanings:

11 (1) "Billing service provider" means any person or entity offering or  
12 providing services for compensation or monetary gain and who, in addition to its  
13 own billing, bills a consumer for services of a third-party service provider.

14 (2) "Consumer" means any person or entity who uses, purchases, or leases  
15 goods or services.

16 (3) "Express authorization" means affirmative action by a consumer in the  
17 form of a written authorization.

18 (4) "Service provider" means any person or entity offering or providing  
19 services for compensation or monetary gain.

1           (5) "Third-party service provider" means a person or entity, other than the  
2           billing service provider, that offers or provides services for compensation or  
3           monetary gain and who originates the charge or charges that are billed to the  
4           consumer through the billing service provider.

5           (6) "Written authorization" means authorization in the form of a signed letter  
6           or a signed contract.

7           B.(1) It shall be unlawful for any service provider to act as a billing service  
8           provider for a third-party service provider without first obtaining the express  
9           authorization from the consumer.

10           (2) All disputed charges by a third-party service provider on a consumer's  
11           account for which no express authorization is available are presumed to be  
12           unauthorized.

13           C. The express authorization of the consumer shall be maintained by the  
14           billing service provider and the third-party service provider for a minimum of two  
15           years or for the duration of the contract, whichever is longer, and shall be made  
16           available to the consumer upon request and at no charge.

17           D. Every billing service provider shall provide a method at no charge to the  
18           consumer to allow the consumer to place restrictions on the consumer's account that  
19           block billing by third-party service providers and shall inform the consumer of the  
20           option to block billing. Such blocking method shall allow the consumer to add or  
21           remove the block quickly and easily.

22           E. Any violation of this Section shall be a deceptive and unfair trade practice  
23           and shall subject the violator to any and all actions and penalties provided for in this  
24           Chapter.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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LeBas

HB No. 278

**Abstract:** Prohibits any service provider from billing a consumer for a third-party service provider without the written express authorization of the consumer.

Proposed law prohibits any service provider from billing a consumer for a third-party service provider without first obtaining the written authorization of the consumer through either a signed letter or a signed contract. Specifies that charges from a third-party service provider placed on a consumer's account without written authorization are presumed to be unauthorized. Requires the written authorization to be maintained by the billing provider and the third-party service provider the longer of two years or the duration of the contract and requires the authorization be made available to the consumer upon request and at no charge.

Proposed law requires billing service providers to provide a method to the consumer for blocking third-party billing at no cost to the consumer. Requires that the consumer be informed of the option to block billing and requires that the consumer be allowed to add or remove the block quickly and easily.

Proposed law subjects violators to present law actions and penalties enforceable by the attorney general (and district attorneys) for deceptive and unfair trade practices, including but not limited to restraining prohibited actions, compensation or restitution for aggrieved consumers, suspension of licenses or franchise agreements, and imposition of civil penalties.

(Adds R.S. 51:1422)