
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2290 Session of
2024

INTRODUCED BY HOWARD, CONKLIN, WAXMAN, KHAN, HILL-EVANS,
SANCHEZ, DELLOSO, D. WILLIAMS AND WARREN, MAY 14, 2024

REFERRED TO COMMITTEE ON JUDICIARY, MAY 14, 2024

AN ACT

1 Amending the act of June 23, 1993 (P.L.128, No.29), entitled "An
2 act requiring certain contracts to be written in plain
3 language; and providing remedies and penalties," further
4 providing for definitions and providing for enforceability of
5 standardized terms in form contracts.

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

8 Section 1. Section 3 of the act of June 23, 1993 (P.L.128,
9 No.29), known as the Plain Language Consumer Contract Act, is
10 amended to read:

11 Section 3. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Consumer." Any individual who borrows, buys, leases or
16 obtains credit, money, services or property under a consumer
17 contract or form contract.

18 "Consumer contract" or "contract." A written agreement
19 between a consumer and a party acting in the usual course of

1 business, made primarily for personal, family or household
2 purposes in which a consumer does any of the following:

3 (1) Borrows money.

4 (2) Buys, leases or rents personal property, real
5 property or services for cash or on credit.

6 (3) Obtains credit.

7 "Form contract." A consumer contract with standardized terms
8 used by a merchant acting in the course of selling or leasing
9 the merchant's goods or services to a consumer without a
10 meaningful opportunity for the consumer to negotiate the
11 standardized terms. Terms in which the consumer selects from
12 various standardized provisions offered by the merchant shall
13 not be regarded as negotiated.

14 Section 2. The act is amended by adding a section to read:

15 Section 5.1. Enforceability of standardized terms in form
16 contracts.

17 (a) General rule.--If a merchant presents a form contract to
18 a consumer containing standardized terms that would materially
19 alter the consumer's legal rights or obligations under the form
20 contract, the standardized terms are not enforceable, regardless
21 of whether the form contract would otherwise be construed as
22 enforceable.

23 (b) Materiality.--Whether a standardized term materially
24 alters a form contract is to be decided by a court after
25 consideration of all of the following factors:

26 (1) Whether the standardized term would cause surprise
27 or hardship for the consumer.

28 (2) Whether the consumer was expressly aware of the
29 standardized term.

30 (3) Whether the consumer had reasonable notice of the

1 standardized term.

2 (4) The nature of the merchant's business and its
3 relationship with the consumer.

4 (5) The extent to which all terms of the contract,
5 including the standardized term, were negotiable.

6 (6) Any other reasonable factor brought to the attention
7 of the court.

8 (7) Whether adequate and reasonable consideration has
9 been provided for the standardized term by other terms within
10 the form contract.

11 (c) Rebuttable presumption.--The following carry a
12 rebuttable presumption of materially altering a form contract:

13 (1) a standardized term that would unreasonably restrict
14 or waive a consumer's rights to the consumer's intellectual
15 property;

16 (2) standardized terms that limit the consumer's
17 ownership of intellectual property reasonably assumed to be
18 sold or licensed as part of the transaction;

19 (3) standardized terms that limit the consumer's right
20 to resell or transfer;

21 (4) standardized terms that limit the merchant's or
22 manufacturer's liability;

23 (5) standardized terms that dictate a legal forum for
24 dispute resolution;

25 (6) standardized terms that require exclusive use of a
26 product or service of the merchant;

27 (7) standardized terms that require a subscription to a
28 service;

29 (8) standardized terms that prevent the transfer of
30 warranties; or

1 (9) standardized terms that require the consumer to
2 exclusively use parts or repair services stipulated by the
3 merchant or manufacturer.

4 (d) Signature as evidence.--A consumer's signature, whether
5 printed, typed or electronically signed, or by any other
6 confirmation, shall not be regarded as evidence of awareness of
7 a standardized term.

8 (e) Applicability.--This section applies to all form
9 contracts executed in this Commonwealth after the effective date
10 of this section and regardless of whether the form contract is
11 presented as part of an electronic or paper transaction, with
12 the exception of a contract excluded by section 4(b).

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