



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

MEMO

March 29, 1976

SUBJECT: HB 2139 (PN 2922) - Analysis of the Proposed Legislation Regulating the Business of Repairing Electric Appliances

TO: Honorable C. L. Schmitt
Chairman, Consumer Protection Committee
Joseph Sobel

FROM: Legal Counsel, Consumer Protection Committee

I. Purpose of the Bill

HB 2139 would regulate the business of repairing electric appliances by requiring registration of all repair dealers, providing for full disclosure to the consumer of the probable cost of any repairs to be done, at the time the consumer brings an electric appliance to a shop. Additionally, the bill provides for supervision by the Bureau of Consumer Protection of registered repair dealers and provides grounds for revocation or refusal by the Attorney General to renew a certificate of registration.

II. People Affected by HB 2139

Repair dealers as defined in the bill, would be regulated, as described above, and would have to keep records of their dealings with consumers and pay a one-time application fee of \$10 and yearly fees of \$30 for each place of business plus \$10 for each technician, as defined in the bill.

It is intended that the interests of consumers would be promoted under the system set out in the bill, particularly as regards disclosure before repairs are done of the probable cost of repair work and through Section 8 of the bill, which sets out reasons for suspension, revocation, or refusal by the Attorney General to issue or renew a certificate of registration.

III. Local Government Units Affected

Under Section 20, concerning civil penalties, local district attorneys and county solicitors may petition for recovery of civil penalties and suitable equitable relief on behalf of the Commonwealth of Pennsylvania. Further, these local personnel may act to restrain behavior prohibited within the bill, under Section 18.

IV. Enforcement

In addition to local district attorneys and solicitors, the Attorney General has the powers spelled out under Section 18 and 20, and additionally may conduct investigations of violations, under Section 14, may adopt administrative rules under Section 12 and may conduct spot check investigations on a continuous basis under Section 14 using personnel which he would be empowered to hire under Section 13.

Personnel charged with enforcement may seek penalties as follows:

A. Under Section 9, a service dealer who fails to register under the act is guilty of a summary offense carrying a fine of \$100 for the first offense and \$500 for second or subsequent offenses.

B. Under Section 18, registrants who act in violation of the proposed law are subject to injunctions restraining such behavior in the future.

C. Under Section 19, the Attorney General may accept from a violator of the act his assurance of voluntary compliance with the act in the future, without need for any admission on the part of a violator of any wrongdoing.

D. Under Section 20, the registrant violating the terms of an existing injunction or consent order could be liable to pay a civil penalty of up to \$5,000 for each violation.

V. Relationship With Other Proposed Legislation

This bill is considered a companion to HB 2140 (PN 2923), which contains essentially similar provisions applicable to persons in the business of repairing motor vehicles.

VI. History of Public Hearings

Hearings were held in both Philadelphia and Pittsburgh. Hearings in Philadelphia were conducted from 10:00 a.m. until approximately 5:00 p.m. on February 13, 1976.

Hearings were held in Philadelphia and Pittsburgh concurrently on HB's 2139 and 2140 with Representative Rose Toll, chief sponsor of HB 2140 as acting chairman. Members of the Consumer Protection Committee heard from several witnesses representing various consumer groups, who spoke favorably of the provisions of both bills.

No criticism of HB 2139 was voiced in Philadelphia, nor did any industry representative accept the committee's invitation to appear.

Our hearing in Pittsburgh was conducted on February 20, 1976, with Representative Fred Taylor, chief sponsor of HB 2139 as acting chairman of the Consumer Protection Committee. Witnesses were divided approximately equally in number among consumer group representatives and spokespersons for consumer and trade groups.

Representatives Taylor, Shcmitt and Toll invited all interested parties present to continue to communicate with the staff of the committee and the sponsors in order to resolve whatever problems exist, from their standpoints, within the bills. Several such persons continued to correspond, and the amendments were adopted, largely as a result of their suggestions, by the Consumer Protection Committee.

Full descriptions of the hearings are not yet available but should be before the bills reach a final vote on the floor of the House.

VI. Supporting and opposing organizations

This bill has been discussed and worked out with General Electric Company, representatives of which have indicated that they will not oppose the bill.

The bill also has the support of the Pennsylvania AFL-CIO.

It has the support of the statewide Pennsylvania Consumer Council and various other consumer groups.

VIII. Administration Position

The administration supports the bill.