

## Pennsylvania Early Contract Termination Fees Upon Death Act May Require Contract Modifications

By Renardo (Rick) L. Hicks and Carl R. Schultz

Legislation has been signed into law by Governor Shapiro that prohibits providers of certain services from imposing an early termination fee upon the death of the customer.

The businesses covered by this Act include vehicle lessors and providers of cable television, cellular or telecommunications service, direct broadcast satellite, electric generation service, heating oil, natural gas, or Voice over Internet Protocol (“VoIP”) (collectively, “service providers”).

Upon the death of a customer, the executor or administrator of their estate must provide notice to the service provider and submit a copy of the decedent’s death certificate within 180 days of the written notice. The service provider is required to waive any early termination fees or charges as of the date of that written notice.

A violation is considered a violation of the Unfair Trade Practices and Consumer Protection Law, 73 P.S. §§201-1 - 201-9.2 (“UTPCPL”). Penalties for violating Pennsylvania’s UTPCPL can include civil penalties, injunctions, and damages to consumers.

The Early Contract Termination Fees Upon Death Act, Act 29 of 2024, takes effect on Tuesday, August 27, 2024, and applies to contracts executed on or after that date. You can read the Act at: <https://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2024&sessInd=0&act=29>.

To avoid running afoul of this law, it might be prudent for covered businesses to review their standard contracts to determine if modifications are necessary. This is particularly true for entities that are regulated by the Pennsylvania Public Utility Commission, such as electric and natural gas suppliers as well as telecommunications and VoIP providers. Continuing to impose early termination fees to a deceased customer could be found by the Commission to be grounds for suspending or terminating an entity’s Pennsylvania operating authority.