
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1620 Session of
2015

INTRODUCED BY P. DALEY, THOMAS, SCHLOSSBERG AND McNEILL,
OCTOBER 15, 2015

REFERRED TO COMMITTEE ON COMMERCE, OCTOBER 15, 2015

AN ACT

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

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

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

10 CHAPTER 55

11 FAIR FRANCHISES

12 Sec.

13 5501. Short title of chapter.

14 5502. Declaration of policy.

15 5503. Definitions.

16 5504. Applicability.

17 5505. Termination and opportunity to cure.

18 5506. Renewal of the franchise and notice.

19 5507. Unfair acts and practices.

- 1 5508. Transfer.
- 2 5509. Termination.
- 3 5510. Good faith and fair dealing.
- 4 5511. Indemnification.
- 5 5512. Enforcement.
- 6 5513. Mediation and actions.
- 7 5514. Void provisions.
- 8 5515. Construction.
- 9 § 5501. Short title of chapter.

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

12 § 5502. Declaration of policy.

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

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

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

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

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

1 contractual rights over the franchise relationship.

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

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

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

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

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

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

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

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

1 § 5503. Definitions.

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

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

7 "Fractional franchise." A franchise relationship that
8 satisfies the following criteria when the relationship is
9 created:

10 (1) The franchisee, any of the franchisee's current
11 directors or officers or any current directors or officers of
12 a parent or affiliate has more than two years of experience
13 in the same type of business.

14 (2) The parties have a reasonable basis to anticipate
15 that the sales arising from the relationship will not exceed
16 20% of the franchisee's total dollar volume in sales during
17 the first year of operation.

18 "Franchise." As follows:

19 (1) Any of the following:

20 (i) An express or implied agreement between a
21 franchisor and a franchisee, whether oral or written,
22 which includes all the following:

23 (A) The franchisee is granted the right to
24 offer, sell or distribute goods or services under a
25 marketing plan or system prescribed or suggested in
26 substantial part by the franchisor.

27 (B) The operation of the business is allowed to
28 be substantially associated with a trademark, service
29 mark, trade name, logotype, advertising or other
30 commercial symbol owned, controlled or used by the

1 franchisor.

2 (C) The franchisee is required to pay a
3 franchise fee.

4 (ii) An area franchise.

5 (iii) A subfranchise.

6 (iv) A commercial relationship entered into in
7 reasonable reliance on representations of the criteria of
8 subparagraph (i).

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

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

12 (i) a nonprofit organization operated on a
13 cooperative basis by and for independent retailers which
14 wholesales goods and services primarily to the
15 organization's member retailers and to which all of the
16 following apply:

17 (A) Each member has substantially the same
18 control and ownership of the cooperative control and
19 ownership is apportioned by number of retail units
20 owned.

21 (B) Only persons that will avail themselves of
22 the services furnished by the organization may be
23 members.

24 (C) Transfer of ownership is prohibited or
25 limited.

26 (D) Capital investment receives no return.

27 (E) Benefits to members are made on the basis of
28 patronage of the cooperative or on the basis of
29 retail units owned.

30 (F) A member is not personally liable for

1 obligations of the organization in the absence of a
2 direct undertaking or authorization by the member.

3 (G) Services of the organization are furnished
4 primarily for the use of a member.

5 (H) No part of the receipts, income or profit of
6 the organization is paid to a for-profit entity. This
7 subparagraph does not include an arms-length payment
8 for necessary goods and services.

9 (I) A member is not required to purchase goods
10 or services from a designated for-profit entity other
11 than an approved supplier selected on an objective
12 basis.

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

16 (iii) A contract or business relationship between a
17 contractor and an automobile club that is a corporation
18 not-for-profit and that:

19 (A) directs or refers the automobile club's
20 members and other customers to the contractor for
21 roadside assistance, auto battery, auto repair, auto
22 body repair or other motor vehicle-related services;
23 or

24 (B) authorizes the contractor to display the
25 automobile club's trademark, service mark or other
26 commercial symbol as an indication of the
27 contractor's affiliation with the automobile club.

28 (iv) An equipment dealer which is a person,
29 partnership or corporation that is primarily engaged in
30 the business of retail sales of any of the following:

- 1 (A) Farm and utility equipment.
2 (B) Forestry equipment.
3 (C) Industrial and construction equipment.
4 (D) Farm implements.
5 (E) Farm machinery.
6 (F) Yard and garden equipment.
7 (G) Attachments, accessories and repair parts.

8 (v) A franchise relationship that is a fractional
9 franchise.

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

13 (4) The term does not apply to contracts regulated by
14 the act of December 22, 1983 (P.L.306, No.84), known as the
15 Board of Vehicles Act.

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

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

18 "Good faith." Honesty in fact and the observance of
19 commercial standards of fair dealing.

20 "Person." An individual, a corporation, a partnership, a
21 limited liability company, a joint venture, an association, a
22 joint stock company, a trust or an unincorporated organization.

23 "Required payment." All consideration that the franchisee
24 must pay to the franchisor or an affiliate, either by contract
25 or by practical necessity, as a condition of obtaining,
26 commencing operation, continuing in, reinstating or renewing a
27 franchise. The term does not include payments for the purchase
28 of reasonable amounts of inventory at bona fide wholesale prices
29 for resale or lease.

30 § 5504. Applicability.

1 A person who engages directly or indirectly in contracts in
2 this Commonwealth in connection with the offering or advertising
3 for sale or has business dealings with respect to franchises in
4 this Commonwealth shall be subject to this chapter and shall be
5 subject to the jurisdiction of the courts of this Commonwealth,
6 upon service of process.

7 § 5505. Termination and opportunity to cure.

8 (a) Termination.--A franchisor may not, directly or through
9 an officer, agent or employee, terminate or cancel a franchise,
10 or substantially change the competitive circumstances of a
11 franchise agreement except for good cause shown.

12 (b) Good cause required.--Good cause shall be based upon a
13 legitimate business reason, which shall include the franchisee's
14 refusal or failure to comply with any express obligation of the
15 franchise agreement. The franchisor shall have the burden of
16 proving good cause.

17 (c) Defaults.--A default under one franchise agreement may
18 not solely constitute a default under another franchise
19 agreement to which the franchisee or an affiliate of the
20 franchisee is a party.

21 (d) Notice.--Except as provided in subsection (e), prior to
22 termination or cancellation of the franchise, the franchisor
23 shall give the franchisee written notice at least 45 days in
24 advance of the termination and the written notice shall be in
25 accordance with the following:

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

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

30 (e) Exceptions.--The following time frames for written

1 notice shall apply:

2 (1) Notice of immediate termination may be given if a
3 franchisee is convicted in a court of competent jurisdiction
4 of an offense:

5 (i) punishable by a term of imprisonment in excess
6 of one year;

7 (ii) directly related to the business conduct of the
8 franchise;

9 (iii) materially impairing the goodwill value of the
10 franchise or the franchised trademark mark; and

11 (iv) no longer appealable.

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

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

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

24 (5) Following written notice, if the reason for
25 termination or cancellation is nonpayment of money due under
26 the franchise agreement, the franchisee shall be entitled to
27 10 days to cure the default. A franchisee has the right to
28 cure three times in any 12-month period during the agreement.

29 (6) Fifteen days notice shall be required if the reason
30 for termination is voluntary abandonment by the franchisee of

1 the franchise relationship.

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

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

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

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

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

25 (2) A duty of good faith shall obligate a party to a
26 franchise to:

27 (i) do nothing that will have the effect of
28 destroying or injuring the right of the other party to
29 obtain and receive the expected fruits of the contract;
30 and

1 (ii) do everything required under the contract to
2 accomplish that purpose.

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

10 § 5507. Unfair acts and practices.

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

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

22 (1) Restrict a franchisee from associating with other
23 franchisees or from joining, leading or otherwise
24 participating in a trade or other association or retaliate
25 against a franchisee for engaging in the activity.

26 (2) Require or prohibit a change in management of a
27 franchise unless the requirement or prohibition of the change
28 is for good cause, which must be stated in writing by the
29 franchisor and be based on violations of material express
30 provisions of the franchise agreement. Good cause shall

1 include requiring that management of the franchise is
2 conducted by personnel who have been trained in the manner
3 required of each franchise manager in the system.

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

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

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

26 (5) Sell, rent or offer to sell to a franchisee a
27 product or service for more than a fair and reasonable price
28 or without the reasonable expectation that the sale or rental
29 of the product will promote the profitability of the
30 franchisee's business.

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

5 (A) The discrimination between franchisees would
6 be necessary to allow a particular franchisee to
7 fairly meet competition in the open market.

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

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

19 (ii) Nothing under this paragraph shall be construed
20 as granting to a franchisor a right which may be limited
21 by a Federal or State statute.

22 (7) Notify the franchisee of a claimed breach of
23 franchise agreement for good cause not later than 180 days
24 from the date good cause arises or not later than 180 days
25 after the franchisor knew or in the exercise of reasonable
26 care should have known of the claimed good cause.

27 (8) Fail to make readily available to a franchisee,
28 without charge, true, accurate and complete copies of each
29 record of marketing, rewards program, advertising fund and
30 fee that has been paid by a franchisee, vendor, supplier and

1 licensee.

2 (9) Coerce a franchisee to assent to a release,
3 assignment, novation, waiver or estoppel which would
4 prospectively relieve a person from liability imposed by this
5 chapter.

6 (10) Require or demand that a franchisee pay liquidated
7 or other post termination damages in excess of the average
8 monthly royalty fees paid by the franchisee during the prior
9 12-calendar months or a shorter time that a franchised
10 location has been in the system, multiplied by the lesser of
11 six months or the number of months remaining in the term of
12 the franchise agreement.

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

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

22 § 5508. Transfer.

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

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

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

30 (b) Approval or denial.--

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

3 (i) Provide written approval to the franchisee for
4 the transfer, assignment or sale to the proposed
5 transferee.

6 (ii) Deny the proposed transferee or buyer and
7 provide material reasons relating to the character,
8 financial ability or business experience of the proposed
9 transferee or buyer.

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

13 (c) Agreement to requirements.--A transfer, assignment or
14 sale may not be valid unless the transferee agrees in writing to
15 comply with each of the requirements of the franchise then in
16 effect.

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

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

23 (1) The transfer of a franchise and the rights of a
24 franchisee to a qualified purchaser, including a family
25 member or business partner directly or by imposing
26 unreasonable stipulations or penalties on a transfer.

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

30 § 5509. Termination.

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

3 (1) Except as provided under subsection (b), the
4 franchisor must fairly compensate the franchisee or
5 franchisee's estate for the fair market value at the time of
6 termination for the following:

7 (i) The franchise.

8 (ii) The franchisee's inventory, supplies, equipment
9 and furnishings purchased by the franchisee from the
10 franchisor or the franchisor's approved sources.

11 (iii) The fair market value of good will, if any,
12 except for personalized items which have no value to the
13 franchisor and inventory, supplies, equipment and
14 furnishings not reasonably required in the conduct of the
15 franchise business.

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

20 (b) Limitations.--

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

22 (i) Voluntary relinquishment or abandonment of the
23 franchise by the franchisee.

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

26 (2) Compensation of the good will of the franchisee
27 shall not be required to be made to a franchisee if the
28 franchisor agrees in writing not to enforce a covenant which
29 restrains the franchisee from competing with the franchisor
30 in the same or substantially similar business in the same or

1 substantially similar manner at the same location using the
2 same property except the franchisor's registered trademark or
3 trade name.

4 (c) Construction.--This section shall not be construed to
5 permit the termination or nonrenewal of a franchise agreement
6 except in accordance with the express terms of the franchise
7 agreement and this chapter.

8 § 5510. Good faith and fair dealing.

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

12 § 5511. Indemnification.

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

20 (b) Liability.--A franchisee, franchisee association or
21 cooperative of franchisees shall not be liable for the
22 negligence or misconduct of a supplier or distributor of
23 products or services prescribed by the franchisor or for the
24 failure of a product or service prescribed by the franchisor
25 which is not fit for the particular purpose for which the
26 product or service was prescribed or any related purpose. A
27 contractual provision in contradiction with this subsection
28 shall be void as against public policy.

29 § 5512. Enforcement.

30 (a) Action.--If a franchisor violates a provision of this

1 chapter a franchisee may bring an action against the franchisor
2 in a court of competent jurisdiction of this Commonwealth for
3 any of the following:

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

6 (2) The actual costs of the action, including
7 reasonable, actual attorney fees.

8 (3) Injunctive relief against unlawful termination,
9 cancellation or nonrenewal.

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

13 (1) The laws of this Commonwealth shall govern the
14 interpretation of the franchise agreement of a franchise
15 located in this Commonwealth and the performance of the
16 parties.

17 (2) The Federal courts with jurisdiction over cases
18 filed in a district in this Commonwealth and courts of this
19 Commonwealth shall have exclusive jurisdiction with respect
20 to an action brought under this chapter or an action brought
21 by a franchisor concerning a franchise located in this
22 Commonwealth.

23 (c) Attorney General.--On the written request of a
24 franchisor or a franchisee, the Attorney General may enforce
25 compliance with this chapter.

26 § 5513. Mediation and actions.

27 (a) Mediation.--A clause or provision in a franchise
28 agreement requiring the parties to submit to nonbinding
29 mediation as a precondition to litigation or arbitration shall
30 be enforceable only if the mediation is conducted at a location

1 within this Commonwealth and reasonably convenient to the
2 franchisee.

3 (b) Actions.--Nothing in a franchise agreement may deprive a
4 franchisee from participating as member of a class action or in
5 a consolidated action.

6 § 5514. Void provisions.

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

12 § 5515. Construction.

13 (a) Liberal construction.--This chapter shall be liberally
14 construed and applied to promote the chapter's underlying
15 remedial purposes and policies.

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

20 Section 2. Sections 5523 and 5525 of Title 42 are amended to
21 read:

22 § 5523. One year limitation.

23 The following actions and proceedings must be commenced
24 within one year:

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

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

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

30 (4) An action under 12 Pa.C.S. Ch. 55 (relating to fair

1 franchises) accruing during the pendency of a civil, criminal
2 or administrative proceeding against a person brought by the
3 United States or any Federal agency under a Federal act or
4 brought by the Commonwealth or any of the Commonwealth's
5 political subdivisions under the laws of this Commonwealth
6 related to antitrust laws or to franchising, the action must
7 be commenced within one year after the final disposition of
8 the civil, criminal or administrative proceeding.

9 § 5525. Four year limitation.

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

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

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

18 (3) An action upon an express contract not founded upon
19 an instrument in writing.

20 (4) An action upon a contract implied in law, except an
21 action subject to another limitation specified in this
22 subchapter.

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

25 (6) An action upon any official bond of a public
26 official, officer or employee.

27 (7) An action upon a negotiable or nonnegotiable bond,
28 note or other similar instrument in writing. Where such an
29 instrument is payable upon demand, the time within which an
30 action on it must be commenced shall be computed from the

1 later of either demand or any payment of principal of or
2 interest on the instrument.

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

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

10 (b) Special provisions.--

11 (1) An action subject to section 8315 (relating to
12 damages in actions for identity theft) must be commenced
13 within four years of the date of the offense or four years
14 from the date of the discovery of the identity theft by the
15 plaintiff.

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

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

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