

# STATE OF NEW YORK

8630--A

2015-2016 Regular Sessions

## IN ASSEMBLY

December 23, 2015

Introduced by M. of A. GUNTHER, SEAWRIGHT, BARRETT -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to prohibiting providers from imposing a fee for termination or early cancellation of certain service contracts in the event a customer has deceased before the end of such contract

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section  
2 399-zzzz to read as follows:

3 § 399-zzzz. Prohibition of certain fee charges for termination or  
4 early cancellation. 1. Subject to federal law and regulation, no provid-  
5 er of telephone, cellular telephone, television, internet, energy, or  
6 water services shall impose a fee for termination or early cancellation  
7 of a service contract in the event the customer has deceased before the  
8 end of such contract.

9 2. Every violation of this section shall be punishable by a civil  
10 penalty not to exceed one thousand dollars.

11 § 2. This act shall take effect immediately.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD11877-06-6

BILL NUMBER: A8630A

SPONSOR: Gunther

TITLE OF BILL:

An act to amend the general business law, in relation to prohibiting providers from imposing a fee for termination or early cancellation of certain service contracts in the event a customer has deceased before the end of such contract

PURPOSE:

This bill would prohibit companies from charging early cancellation fees if a customer has deceased before the end of his or her contract.

SUMMARY OF PROVISIONS:

Section 1 adds a new section 399-zzzz to the general business law to prohibit providers of telephone, cellular telephone, television, internet, energy or water services from imposing a termination or early cancellation fee if a customer has deceased before the end of such contract.

Section 2 is the effective date.

JUSTIFICATION:

Many companies use early termination fees to ensure a customer continues use of a service through the contract length. There have been instances where these companies have charged early termination fees to accounts cancelled prior to the expiration of the contract due to the customer's death. This legislation would prohibit this unseemly demonstration of corporate greed.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None to state.

EFFECTIVE DATE:

This act shall take effect immediately.