

First Extraordinary Session, 2005

HOUSE BILL NO. 163

BY REPRESENTATIVE CROWE

CONSUMERS/PROTECTION: Prohibits discrimination on terms for contracts for certain displaced persons as an unfair trade practice

1 AN ACT

2 To enact R.S. 51:1422, relative to unfair trade practices; to prohibit contracts with displaced
3 persons for less advantageous terms than with consumers who are domiciled in the
4 vicinity of the persons' or entities' principal place of business; to provide for
5 penalties; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1422 is hereby enacted to read as follows:

8 §1422. Unfair acts or practices; service contracts; certain displaced persons

9 A. During a state of emergency declared by the governor, it shall be unlawful
10 for any person or entity to contract for services with a person, including a displaced
11 person, for no less than the most advantageous terms than those existing immediately
12 prior to the declared state of emergency.

13 B. For purposes of this Section, the term "displaced person" shall mean a
14 person who is temporarily located in an area other than his normal domicile due to
15 a gubernatorially declared disaster or emergency.

16 C.(1) Any violation of this Section shall be an unfair trade practice and shall
17 subject the violator to any and all actions and penalties provided for in this Chapter.

18 (2) In addition to any other civil remedies provided for by law, any violation
19 of this Section shall cause the immediate rescission of the contract or reformation of

1 the contract to the same terms that existed immediately prior to the declared
2 emergency.

3 Section 2. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Crowe

HB No. 163

Abstract: Prohibits discrimination on terms for contracts for services during declared states of emergency.

Proposed law provides that, during a state of emergency declared by the governor, it shall be unlawful for any person or entity to contract for services with a person, including a displaced person, for no less than the most advantageous terms than those existing immediately prior to the emergency.

Proposed law provides that, in addition to the penalties provided for in the Unfair Trade Practices and Consumer Protection Law, any violation of proposed law shall cause the immediate rescission of the contract or reformation of the contract to the same terms that existed prior to the emergency.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1422)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Limits proposed law to contracts for services.
2. Provides that it will be unlawful to contract for no less than the most advantageous terms that existed prior to an emergency.
3. Allows for reformation of the terms of an unlawful contract.