RN1521807 **AP 16**

**INTRODUCED BY SENIOR ASSEMBLY MEMBER HENGST**

Legislative Counsel’s Digest

AP 16: INTRODUCTORY RATE PERIOD CONTRACTS.

UNDER EXISTING LAW, THE PUBLIC UTILITIES COMMISSION HAS REGULATORY AUTHORITY OVER PUBLIC UTILITIES, INCLUDING ELECTRICAL, GAS, WATER, AND TELEPHONE CORPORATIONS. EXISTING LAW AUTHORIZES THE COMMISSION TO ESTABLISH RULES FOR ALL PUBLIC UTILITIES, SUBJECT TO CONTROL BY THE LEGISLATURE.

THIS MEASURE WOULD MEMORIALIZE THE LEGISLATURE AND THE GOVERNOR TO ENACT LEGISLATION THAT WOULD REQUIRE THAT ONE MONTH PRIOR TO AN INCREASE OF A RATE IMPOSED PURSUANT TO A CONTRACT WITH AN INTRODUCTORY RATE PERIOD, THE CONSUMER BE NOTIFIED AND CONSENT IN WRITING TO THE CONTINUATION OF THAT SERVICE AT THE INCREASED RATE.

VOTE: MAJORITY.

AP 16: RELATING TO INTRODUCTORY RATE PERIOD CONTRACTS

WHEREAS, THE INTRODUCTORY RATES FOR SERVICES INCLUDING, BUT NOT LIMITED TO, PHONE, CABLE TELEVISION, SATELLITE TELEVISION, MAGAZINES, AND OTHER PUBLICATIONS ARE VERY GOOD, BUT ARE FREQUENTLY FOLLOWED BY GREATLY INCREASED RATES AFTER THE INTRODUCTORY RATE PERIOD; AND

WHEREAS, THE OPT-OUT OR CANCELLATION OF A SUBSCRIPTION SERVICE FOLLOWING THE INTRODUCTORY RATE PERIOD IS SO DIFFICULT THAT FEW DO SO. THESE CUSTOMERS ARE VIRTUALLY TRAPPED INTO RATES THAT INCREASE OVER AND OVER AGAIN; NOW, THEREFORE, BE IT

RESOLVED, BY THE SENIOR ASSEMBLY AND THE SENIOR SENATE, JOINTLY, THAT THE SENIOR LEGISLATURE OF THE STATE OF CALIFORNIA AT ITS 2015 REGULAR SESSION, A MAJORITY OF THE MEMBERS VOTING THEREFOR, HEREBY PROPOSES THAT A BILL BE ENACTED TO REQUIRE THAT ONE MONTH PRIOR TO AN INCREASE OF A RATE IMPOSED PURSUANT TO A CONTRACT WITH AN INTRODUCTORY RATE PERIOD, THE CONSUMER SHALL BE NOTIFIED AND CONSENT IN WRITING TO THE CONTINUATION OF THAT SERVICE AT THE INCREASED RATE; AND BE IT FURTHER

RESOLVED, THAT THE SENIOR LEGISLATURE OF THE STATE OF CALIFORNIA RESPECTFULLY MEMORIALIZES THE LEGISLATURE AND THE GOVERNOR OF THE STATE OF CALIFORNIA TO ENACT APPROPRIATE LEGISLATION THAT WOULD ADDRESS THE CONCERNS SET FORTH IN THIS MEASURE; AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS MEASURE BE TRANSMITTED TO THE SPEAKER OF THE ASSEMBLY, THE PRESIDENT PRO TEMPORE OF THE SENATE, AND THE GOVERNOR OF THE STATE OF CALIFORNIA.