



## Georgia Structural Pest Control Commission

### Notice 22-01 Fair Business Practices Act of 1975

This fact sheet is issued by the Georgia Structural Pest Control Commission (GSPCC) to provide guidance for pest control service contracts regarding disclosure of the three (3) day right of cancellation in accordance with the Fair Business Practices Act of 1975, O.C.G.A. § 10-1-390, et seq. ("FBPA"), and rules of the Federal Trade Commission, 16 C.F.R. 429 ("FTC Rules")

The Rules of the Georgia Structural Pest Control Commission ("SPCC") often require notice of a three-day right of cancellation in pest control services contracts. Under SPCC Rules, structural pest control services contracts must notify consumers of the three-day right of cancellation when otherwise required by the FBPA or FTC Rules. Most importantly, the FTC Rules require a three-day cancellation notice for door-to-door sales, which is a defined term and specifically excludes some common sales scenarios.

### Relevant SPCC Rules Provisions

#### WDO Section

SPCC Rule 620-6-.02 Contracts

*(2) Every Wood Destroying Organism Control contract shall be signed by the property owner or owner's agent prior to performance of any control measures and **the three (3) day right of cancellation shall be disclosed to every contractee in accordance with the Fair Business Practices Act of 1975, and rules of the Federal Trade Commission, 16 C.F.R. 429.***

#### HPC Section

SPCC Rule 620-7-.02 General Requirements

*(3) A Household Pest Control contract shall be issued on all household pest control jobs **in accordance with requirements of the Fair Business Practices Act of 1975, and the rules of the Federal Trade Commission, 16 C.F.R. 429, including disclosure by the licensee of the three (3) day right of cancellation.** The terms of any contract extension beyond the original terms shall be indicated on the contract.*

#### HBR Section

SPCC Rule 620-9.02 General Requirements

*(2) A honeybee control and removal contract shall be issued on all honeybee control and removal jobs **in accordance with requirements of the Fair Business Practices Act of 1975, and the rules of the Federal Trade Commission, 16 C.F.R. 429, including disclosure by the***

***licensee of the three (3) day right of cancellation.*** *The terms of any contract extension beyond the original terms shall be indicated on the contract. The contract shall include a description of scope of work including the type of honeybee removal.*

### **Application of the FBPA and FTC Rule**

Each SPCC Rule requiring contracts to include a notice of the three-day right of cancellation does so in accordance with the FBPA and the FTC Rules. Because of this, SPCC Rules only require the three-day right of cancellation to the extent it is otherwise required by the FBPA or FTC Rules. The FTC Rules prohibit unfair and deceptive practices in connection with a door-to-door sale. (16 CFR 429.1).

### **What constitutes a door-to-door sale affects when contractors must provide the three-day notice of cancellation.**

A door-to-door sale occurs when:

- The sale is of consumer goods or services;
  - Ex. – Under the FTC Rule, this excludes sales of goods or services to commercial entities, for example business to business sales of pest control services.
- The seller or their representative personally solicits the sale (even in response to the invitation of a buyer);
- The agreement to offer to purchase is made somewhere other than the place of business of the seller; **and**
- The sale meets a minimum purchase price (\$25 or more if at the buyer’s residence; \$130 or more if elsewhere). (16 CFR 429(a)).

Not all sales constitute door-to-door sales under the FTC Rules. For other statutory exemptions, please review the FTC Rules, specifically 16 C.F.R. 429(a)(1)-(6). Structural pest control providers should assess their contracting practices to avoid violating the SPCC Rules. Specifically, structural pest control providers must ensure that notice of the right of three-day cancellation is provided whenever required.

### **Contractual Notice Provision and Notice of Cancellation Form.**

When notice of the three-day right of cancellation is required, the following statement must be included on the contract in bold face type of a minimum size of 10 points in immediate proximity to the signature of the property owner/agent:

**“You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”**

To avoid committing an unfair and deceptive practice, each seller must “furnish each buyer, at the time the buyer signs the door-to-door sales contract or otherwise agrees to buy the consumer goods or services from the seller, a completed form in duplicate, captioned either “NOTICE OF RIGHT TO CANCEL” or “NOTICE OF CANCELLATION”, which must be in at least 10-point, bold font.

(16 CFR 429.1). A sample "NOTICE OF CANCELLATION", which is sufficient for statutory compliance purposes, is attached as Exhibit A.

**Regulatory Resources:**

**Rules of the Federal Trade Commission (FTC), 16 C.F.R. 429 .**

**Exhibit A**

**Notice of Cancellation**

[enter date of transaction]

\_\_\_\_\_

(Date)

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to [Name of seller], at [address of seller's place of business] NOT LATER THAN MIDNIGHT OF [date].

I HEREBY CANCEL THIS TRANSACTION.

(Date) \_\_\_\_\_

(Buyer's signature) \_\_\_\_\_