



March 11, 2025

TO: Members, Assembly Privacy and Consumer Protection Committee

**SUBJECT: AB 483 (IRWIN) FIXED TERM INSTALLMENT CONTRACTS: CANCELLATION FEES  
OPPOSE– AS INTRODUCED FEBRUARY 10, 2025  
SCHEDULED FOR HEARING – MARCH 18, 2025**

The California Chamber of Commerce and the undersigned respectfully **OPPOSE AB 483 (Irwin)** as introduced on February 10, 2025, because it will eliminate a number of consumer-friendly installment contracts by making them financially impossible to offer.

Though we understand and appreciate the goal of ensuring that customers understand the implications of breaking installment contracts and ensuring fees for such breach are reasonable, we nevertheless must oppose the present iteration of **AB 483**.

**Context: Installment Contracts Are Common Across a Range of Industries.**

Installment contracts are commonly used across a range of industries for a long-term commitment to be paid overtime. Some factual examples of such services include: (1) an ongoing service for a defined period (including physical services, or software); (2) ongoing use of physical equipment, to be paid for over time (e.g., a rental with periodic payments); or (3) a delayed purchase wherein the consumer acquires the item now, and commits to pay for it over time (a “rent-to-own” model).

**AB 483’s One-Size-Fits-All Limitation of 20% Contract Value Will End Many Normal, Customer-Friendly Business Practices.**

In a variety of industries, consumers benefit from arrangements that allow them to receive a significant portion of the benefit of that installment contract initially – or a discount for a longer commitment. For example: in the case of an ongoing service, a consumer may be given a lower total price due to the length of their commitment. However, **AB 483** would disincentivize such a discount, because any such discount implicitly limits the recoverable amount if the consumer breached the agreement to 20% of the total value of the contract.

We are similarly concerned that **AB 483’s** limitations will harm businesses’ ability to craft workable contracts in situations where the risk that they carry is greater than 20% of the value of the contract in the event that the consumer “terminates”.<sup>1</sup>

We are continuing to gather feedback from employers on the bill, including the contractual terms portions of the bill, and will work the author on them on an ongoing basis. However, due to the early setting of the bill, we cannot cover all potential concerns in this letter.

For these reasons we must presently **OPPOSE AB 483** – but are hopeful that future discussions may resolve our concerns.

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<sup>1</sup> Notably, the bill references “termination” of a contract – but we believe this term is often synonymous with “breach” of a contract.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RM', with a long horizontal flourish extending to the right.

Robert Moutrie  
Senior Policy Advocate  
on behalf of

California Chamber of Commerce, Robert Moutrie  
California Retailers Association, Ryan Allain

cc: Legislative Affairs, Office of the Governor  
Consultant, Assembly Privacy and Consumer Protection Committee  
Aakash Vashee, Office of Assemblymember Irwin  
Liz Enea, Consultant, Assembly Republican Caucus

RM:ldl