

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 1 - 0

Yeas: Avakian, Gordly, Monroe, Prozanski

Nays: Beyer

Exc.: 0

Prepared By: Anna Braun, Administrator

Meeting Dates: 4/04, 4/30

WHAT THE MEASURE DOES: Requires arbitrations and court actions for consumer contracts to be held within the State of Oregon, notwithstanding contract clause to the contrary. Provides for striking the clause as remedy. Provides for attorney fees against party seeking to enforce clause. Allows parties to appear by phone. Exempts real estate contracts.

ISSUES DISCUSSED:

- Requirements to appear in another state
- Costs to consumer
- Costs savings of mandatory arbitration

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Consumer contracts may have clauses that require mandatory arbitration or preclude legal action in Oregon on the terms of the contract. Consumers in Oregon may have trouble enforcing terms of a contract because the cost to bring a lawsuit in another state is prohibitive. SB 484 A requires that the forum for deciding disputes involving consumer contracts, whether through arbitration or courts, be within the State of Oregon.