

House Bill 2631

Sponsored by Representative ESQUIVEL; Representatives BARTON, BERGER, BEYER, BOONE, BRUUN, BUCKLEY, CAMERON, CLEM, D EDWARDS, GARRARD, GILMAN, HUFFMAN, KENNEMER, KOMP, MATTHEWS, MAURER, G SMITH, SPRENGER, THATCHER, THOMPSON, WEIDNER, WHISNANT, WITT, Senator BONAMICI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that consumer contract may not contain provision to renew contract for additional term automatically or unless consumer declares intention to terminate or not renew contract. Provides that provision that purports to establish automatic renewal is void and unenforceable.

Requires refund to consumer of money or other consideration paid as consequence of renewal that is void and unenforceable. Permits award of attorney fees to consumer who prevails in litigation or other dispute settlement process.

Permits consumer with assent of other party to consumer contract to renew consumer contract by means of affirmative statement in writing.

A BILL FOR AN ACT

1
2 Relating to renewals of consumer contracts.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 (a) "Consumer" has the meaning given that term in ORS 81.150.

6 (b) "Consumer contract" has the meaning given that term in ORS 81.150.

7 (2) A consumer contract may not contain a provision that states that the term of the
8 contract will renew for an additional period:

9 (a) Automatically; or

10 (b) Unless the consumer who is a party to the contract notifies another party to the
11 contract that the consumer intends to terminate or not renew the contract.

12 (3) A provision of a consumer contract that purports to renew the consumer contract in
13 the manner described in subsection (2) of this section is void and unenforceable.

14 (4) Money or other consideration a consumer paid or provided under the terms of the
15 contract as a consequence of a renewal that is void and unenforceable under subsection (3)
16 of this section must be refunded or returned to the consumer. A consumer who prevails in
17 litigation or a dispute settlement process that results from the consumer's attempt under
18 this section to obtain a refund or return of consideration paid or provided is entitled to
19 reasonable attorney fees.

20 (5) With the assent of the other party to a consumer contract, a consumer may elect to
21 renew the contract for an additional term by stating the consumer's intention affirmatively
22 and in writing.

23 **SECTION 2. Section 1 of this 2009 Act applies to contracts entered into on or after the
24 effective date of this 2009 Act.**

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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.