

House Bill 2874

Sponsored by Representative CLEM (Pre-session filed.)

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 reduction in, restriction or limitation on or charge or fee in connection with providing item or service due to consumer under terms of warranty is void and of no effect unless manufacturer, distributor, retailer or seller discloses reduction, restriction, limitation, charge or fee.

A BILL FOR AN ACT

1
2 Relating to warranties provided to consumers.

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

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

5 (a) **"Conspicuous text" means underlined text, text displayed in italics, boldface, a con-**
6 **trasting color or capitals, or text otherwise enhanced so that a reasonable person against**
7 **whom the text is to operate should have noticed the text.**

8 (b) **"Warranty" means an express written promise that a manufacturer, distributor,**
9 **retailer or seller:**

10 (A) **Makes to a consumer without a separate charge or negotiation as an incidental part**
11 **of the sale of a consumer good or service; and**

12 (B) **Provides as a guarantee that the manufacturer, distributor, retailer or seller will:**

13 (i) **Preserve or maintain the utility or performance of the consumer good or service;**

14 (ii) **Provide indemnity for remedial measures necessary to preserve or maintain the**
15 **utility or performance of the consumer good or service including, but not limited to, replac-**
16 **ing a defective part, repairing a mechanical or electrical breakdown, restoring a function,**
17 **providing labor, replacing the consumer good or repeating the service; or**

18 (iii) **Compensate the consumer if the manufacturer, distributor, retailer or seller cannot**
19 **meet the obligations described in sub-subparagraph (i) or (ii) of this subparagraph.**

20 (c) **"Warranty item" means a part, component, system, assembly or other item that a**
21 **manufacturer, distributor, retailer or seller provides to a consumer to preserve or maintain**
22 **the utility of goods in compliance with the terms of a warranty.**

23 (d) **"Warranty service" means a service that a manufacturer, distributor, retailer or**
24 **seller provides to a consumer in compliance with the terms of a warranty.**

25 (2) **A manufacturer, distributor, retailer or seller that provides a warranty shall disclose**
26 **in conspicuous text in the document that sets forth the terms of the warranty:**

27 (a) **Reductions or other changes that might occur at any point during the period in which**
28 **the warranty is in effect with respect to:**

29 (A) **The type, quality or availability of a warranty item due to the consumer; or**

30 (B) **The extent, degree, type, quality or availability of a warranty service due to the**
31 **consumer;**

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.

1 **(b) Restrictions or limitations on the quantity of, number of occasions on which or dates**
2 **or times at which a consumer may receive a warranty item or a warranty service due to the**
3 **consumer; and**

4 **(c) Charges or fees that a consumer would have to pay for the manufacturer, distributor,**
5 **retailer or seller to provide a warranty item or a warranty service due to the consumer**
6 **without regard to the reductions, restrictions, limitations or other changes described in**
7 **paragraphs (a) and (b) of this subsection.**

8 **(3) A manufacturer's, distributor's, retailer's or seller's reduction in, restriction or lim-**
9 **itation on, or imposition of a charge or fee in connection with providing a warranty item or**
10 **a warranty service due to a consumer is void and of no effect unless the manufacturer, dis-**
11 **tributor, retailer or seller complies with the requirements set forth in subsection (2) of this**
12 **section.**

13 **SECTION 2.** **Section 1 of this 2011 Act applies to warranties provided with consumer**
14 **goods that are manufactured, distributed or sold on or after the effective date of this 2011**
15 **Act or services that are performed on or after the effective date of this 2011 Act.**

16