

# House Bill 3155

Sponsored by Representative HOLVEY

## 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 may cancel consumer contract for services and as consequence of cancellation pay only amount of subsidy, discount or other incentive offered as inducement to enter into contract and avoid future payments for services consumer does not receive as result of cancellation.

Requires consumer contract for services to specify, or to provide formula or calculation by means of which consumer can determine, amount consumer must pay and costs consumer will avoid as consequence of cancellation. Requires consumer contract for services to identify person and address to which consumer must send written cancellation. Specifies date on which cancellation is effective.

Provides that provision in consumer contract for services that is contrary to provision in Act is void and unenforceable. Provides that person that attempts to enforce void and unenforceable provision is liable to consumer for attorney fees and costs that consumer incurs in preparing for and undertaking litigation that results from enforcement attempt.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to cancellation provisions in consumer contracts for services; and declaring an emergency.

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

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

(a) **"Clearly and conspicuously" means in larger type than surrounding text, in type that contrasts in font or color with surrounding text of the same size or set off from surrounding text of the same size with symbols or other marks in a manner that clearly calls attention to the language.**

(b) **"Consumer" means an individual resident of this state, or the individual's legal representative, who obtains in a transaction services the individual intends to use for personal, family or household purposes.**

(c) **"Consumer contract for services" means a contract into which a consumer enters to purchase services for personal, family or household purposes in an amount that does not exceed \$15,000.**

**(2) A consumer contract for services must provide and clearly and conspicuously disclose that a consumer may cancel the consumer contract for services before the end of the contract term and as a consequence of the cancellation:**

(a) **Pay only the amount of any subsidy, discount or other incentive a person offers to the consumer as an inducement to enter into the consumer contract for services; and**

(b) **Avoid future payments for services that the consumer does not receive as a result of the consumer's cancelling the consumer contract for services.**

**(3)(a) A consumer contract for services must specify, or must provide a formula or calculation by means of which a consumer may determine, as of the date on which the consumer cancels the consumer contract for services, the amount of any subsidy, discount or incentive that a consumer must pay and the amount that the consumer will avoid paying for**

**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 future services if the consumer cancels the consumer contract for services.

2 (b) A consumer contract for services must clearly and conspicuously specify the name  
3 and address, which may be an electronic mail address, to which a consumer must direct a  
4 written notice of the consumer's intent to cancel the consumer contract for services.

5 (4)(a) A consumer who intends to cancel a consumer contract for services must com-  
6 municate the consumer's intent clearly and in writing to the person specified in accordance  
7 with subsection (3)(b) of this section.

8 (b) For the purposes of determining the amount a consumer must pay and the amount  
9 of costs a consumer avoids under subsection (2) of this section, a cancellation of a consumer  
10 contract for services is effective on the date on which the consumer mails a written notice,  
11 as shown on a postmark for the mailing, or on the date on which the consumer sends an  
12 electronic notice in writing.

13 (5) A term, condition or other provision of a consumer contract for services that pur-  
14 ports to require a consumer to waive a right granted under subsection (2) of this section,  
15 or that is otherwise contrary to a provision of this section, is void and unenforceable. A  
16 person that seeks to enforce a provision of a consumer contract for services that is void and  
17 unenforceable under this subsection is liable to the consumer for any attorney fees and costs  
18 the consumer incurs in preparing for and undertaking any litigation that results from the  
19 attempted enforcement.

20 SECTION 2. Section 1 of this 2015 Act applies to consumer contracts for services into  
21 which a consumer enters on or after the effective date of this 2015 Act.

22 SECTION 3. This 2015 Act being necessary for the immediate preservation of the public  
23 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
24 on its passage.