LC 111 2024 Regular Session 1/5/24 (TSB/ps)

DRAFT

SUMMARY

Digest: Requires a person that makes electronic items for consumers to give on fair terms to people who look at, maintain or repair the items what they need to do effective maintenance or make effective repairs. Fair terms means, in part, giving independent people what they need on the same terms as people the maker authorizes to make repairs. Lets the state fine people who violate the Act. Takes effect 91 days after session ends. (Flesch Readability Score: 61.1).

Requires an original equipment manufacturer to make available to an owner of consumer electronic equipment or an independent repair provider on fair and reasonable terms any documentation, tool, part or other device or implement that the original equipment manufacturer makes available to an authorized service provider for the purpose of diagnosing, maintaining or repairing consumer electronic equipment. Permits the Attorney General to make an investigative demand of a manufacturer that appears to have violated the Act. Specifies the contents of the investigative demand and the method of service. Subjects a manufacturer that violates the Act to a civil penalty of not more than \$1,000 for each day of the violation.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

- 2 Relating to a right to repair consumer electronic equipment; and prescribing an effective date.
- 4 Whereas the Legislative Assembly finds and declares that reusing, re-
- 5 pairing and extending the product life of electronics is a critical component
- 6 of Oregon's 2050 Vision and Framework for Action, that repairing and reus-
- 7 ing electronics rather than throwing out electronics reduces waste,
- 8 greenhouse gas emissions and raw material use and that barriers to repairing
- 9 electronics make access to technology difficult by increasing costs; now,
- 10 therefore,

- 1 Be It Enacted by the People of the State of Oregon:
- 2 SECTION 1. (1) As used in this section and section 2 of this 2024 3 Act:
- 4 (a) "Authorized service provider" means:
- 5 (A) A person that has an arrangement with an original equipment 6 manufacturer under which:
- 7 (i) The original equipment manufacturer grants a license to or 8 otherwise permits the person to use the original equipment 9 manufacturer's trade name, service mark or other proprietary iden-10 tification for the purpose of offering the services of diagnosing, main-11 taining or repairing consumer electronic equipment; or
- (ii) The person offers the services of diagnosing, maintaining or repairing consumer electronic equipment on behalf of the original equipment manufacturer or under the original equipment manufacturer's warranty; or
- (B) An original equipment manufacturer, but only in instances
 where the original equipment manufacturer does not have an arrangement described in subparagraph (A) of this paragraph and offers
 the services of diagnosing, maintaining or repairing consumer electronic equipment that the original equipment manufacturer makes or
 sells.
- (b) "Cell phone" means a handheld product that includes a battery, microphone, speaker and display designed to send and receive transmissions through a cellular radiotelephone service.
- 25 (c) "Consumer electronic equipment" means a product that:
- 26 (A) Functions, in whole or in part, on the basis of digital electronics 27 that are embedded within or attached to the product;
- 28 (B) Is tangible personal property;
- 29 (C) Is generally used for personal, family or household purposes;
- 30 **(D)** Is sold, used or supplied in this state one year or more after the 31 product was first manufactured and sold or used in this state; and

- 1 (E) Might be, but is not necessarily, capable of attachment to or 2 installation in real property.
- d) "Documentation" means any manual, diagram, reporting output, service code description, schematic diagram, security code, password or other guidance or information that enables a person to diagnose, maintain or repair consumer electronic equipment.
 - (e) "Fair and reasonable terms" means terms under which an original equipment manufacturer:

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- (A) Makes documentation available at no charge, except that the original equipment manufacturer may charge for the reasonable and actual costs of printing, preparing and sending or preparing and sending documentation that a person requests in print;
- (B) Makes tools for diagnosing, maintaining and repairing consumer electronic equipment available at no charge and without impeding access to the tools or the efficient and cost-effective use of the tools, except that the original equipment manufacturer may charge for the reasonable and actual costs of preparing and shipping a physical tool that a person requests; and
- 19 (C) Makes parts available directly or through an authorized service 20 provider to:
- (i) An independent repair provider and an owner at costs and on terms that are equivalent to the most favorable costs and terms at which the original equipment manufacturer offers the parts to an authorized service provider and that:
- (I) Account for any discount, rebate, convenient means of delivery, 25 means of enabling fully restored and updated functionality, rights of 26 use or other incentive or preference the original equipment manufac-27 turer offers to an authorized service provider, or that impose any ad-28 ditional cost, burden \mathbf{or} impediment the original equipment 29 manufacturer also imposes on an authorized service provider; 30
 - (II) Do not impose a substantial condition, obligation or restriction

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- that is not reasonably necessary to enable an independent repair provider or owner to diagnose, maintain or repair consumer electronic equipment that the original equipment manufacturer makes or sells;
- (III) Do not require an independent repair provider or owner to become an authorized service provider or enter into an arrangement described in paragraph (a)(A) of this subsection; and
 - (ii) All authorized service providers that the original equipment manufacturer permits, by contract or otherwise, to sell parts to independent repair providers and owners, without:
 - (I) Imposing allocation limitations or advertising restrictions upon the authorized service provider as a means of retaliation or as a means of hindering the authorized service provider in selling parts by any means; or
 - (II) Imposing a substantial condition, obligation or restriction that is not reasonably necessary to enable an independent repair provider or owner to diagnose, maintain or repair consumer electronic equipment that the original equipment manufacturer makes or sells.
 - (f) "Independent repair provider" means a person that:
- 20 (A) Engages in the business of diagnosing, maintaining or repairing 21 consumer electronic equipment in this state but is not an authorized 22 service provider; and
 - (B) Possesses a valid and unexpired certification that demonstrates that the person has the technical capabilities and competence necessary to safely, securely and reliably repair consumer electronic equipment in accordance with widely accepted standards, such as a Wireless Industry Service Excellence Certification, an A+ certification from the Computing Technology Industry Association, a National Appliance Service Technician Certification or another certification that an original equipment manufacturer accepts as evidence that the person can perform safe, secure and reliable repairs to the manufacturer's con-

sumer electronic equipment. 1

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- (g) "Original equipment manufacturer" means a person that en-2 gages in the business of selling, leasing or otherwise supplying to another person new consumer electronic equipment that the person makes or has made on the person's behalf.
- (h) "Owner" means a person that owns or leases from a lessor 6 consumer electronic equipment that the person or the lessor pur-7 chased or used in this state. 8
- (i) "Part" means a new or used replacement component for con-9 sumer electronic equipment that an original equipment manufacturer 10 makes available for the purpose of maintaining or repairing consumer 11 12 electronic equipment that the original equipment manufacturer makes or sells. 13
 - (j) "Parts pairing" means a manufacturer's practice of using software to identify component parts through a unique identifier.
 - (k) "Tool" means software, a hardware implement or an apparatus by means of which a person can diagnose, maintain or repair consumer electronic equipment including any software, or a mechanism that provisions, programs or pairs a new part, calibrates functionality or performs another function that is necessary to update or restore a product to a fully functional condition.
 - (L) "Trade secret" has the meaning given that term in ORS 646.461.
- (m)(A) "Video game console" means a computing device, and com-23 ponents and peripherals for the computing device, that is intended 24 primarily for playing interactive video games. 25
- 26 (B) "Video game console" does not include a general purpose personal computer that has the capability to run video games alongside 27 other computing functions. 28
- (2)(a) An original equipment manufacturer shall make available to 29 an owner or an independent repair provider on fair and reasonable 30 terms any documentation, tool, part or other device or implement that 31

- the original equipment manufacturer makes available to an authorized service provider for the purpose of diagnosing, maintaining, repairing or updating consumer electronic equipment that the original equipment manufacturer makes or sells and that is sold or used in this state.
 - (b) An original equipment manufacturer shall make available to an owner or independent repair provider on fair and reasonable terms any documentation, tool or part necessary to disable and reset any electronic security lock or other security function in consumer electronic equipment that is or must be disabled or that must be reset while diagnosing, maintaining or repairing the consumer electronic equipment. The original equipment manufacturer may make the documentation, tool or part available by means of an appropriate secure release system.
- 15 (c) An original equipment manufacturer may not use parts pairing 16 to:
- (A) Prevent or inhibit an independent repair provider or owner from installing or enabling the function of a replacement part or component of consumer electronic equipment, including a replacement part or component that the original equipment manufacturer has not approved;
- 22 **(B) Reduce the functionality or performance of consumer electronic** 23 **equipment; or**
- (C) Cause consumer electronic equipment to display unnecessary or misleading alerts or warnings about unidentified parts, particularly if the alerts or warnings cannot be dismissed.
 - (3) This section does not:

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28 (a) Require an original equipment manufacturer to disclose a trade 29 secret or license intellectual property, including copyrights or patents, 30 to an independent service provider or owner except as necessary to 31 provide, on fair and reasonable terms, any documentation, tool, part

- or other device or implement used to diagnose, maintain or repair consumer electronic equipment.
 - (b) Alter the terms of any agreement or arrangement between an original equipment manufacturer and an authorized service provider including, but not limited to, the authorized service provider's performance or provision of warranty service or recall repair work on the original equipment manufacturer's behalf under the agreement or arrangement, except that any provision in the agreement or arrangement that purports to waive, restrict or limit the original equipment manufacturer's compliance with this section is void and unenforceable.
 - (c) Impose liability upon an original equipment manufacturer for any bodily injury or damage to consumer electronic equipment that an independent repair provider or owner causes while diagnosing, maintaining or repairing the consumer electronic equipment using documentation, tools or parts the original equipment manufacturer made available on fair and reasonable terms to an authorized service provider, independent repair provider or owner before the date of the diagnosis, maintenance or repair, except that an original equipment manufacturer remains liable to the extent that the laws of this state provide for strict liability for defects in the design or manufacture of the consumer electronic equipment.
 - (d) Require an original equipment manufacturer to make available special documentation, tools and parts that would disable or override, without an owner's authorization, anti-theft security measures that the owner sets for consumer electronic equipment.
 - (e) Apply to:

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(A) A person that is engaged in the business of manufacturing or assembling new motor vehicles or in the business of selling or leasing new motor vehicles and offering the service of diagnosing, maintaining or repairing motor vehicles or motor vehicle engines under the terms

- of a franchise agreement, or to the person's products or services;
 - (B) A product or equipment that:

- 3 (i) Has never been available for retail sale to a consumer;
- (ii) Is a medical device, as defined in the federal Food, Drug, and 4 Cosmetic Act, 21 U.S.C. 301 et seq., or a digital electronic product, 5 software, control equipment or related products or services manufac-6 tured for or provided for use in diagnosis or monitoring in an acute 7 care hospital, a long term care facility such as a nursing home or 8 skilled nursing facility, a physician's office, an urgent care center, an 9 outpatient clinic, a home setting where health care is provided by or 10 at the direction of a licensed health care provider, an emergency 11 12 medical service facility or at a site where health care is routinely delivered on premises that are not otherwise a health care facility, such 13 as a medical clinic within a school; 14
- 15 (iii) Provides heat, ventilation or air conditioning or recharges 16 refrigerant gases;
- (iv) Is a system, mechanism or series of mechanisms that generates, stores or combines generation and storage of electrical energy from solar radiation;
- 20 (v) Is a video game console; or
- (vi) Is a system that stores electrical energy for a period of time and transmits the energy after storage, that is interconnected with a transmission or distribution system and is approved by an electric utility or located on a customer's side of an electric utility meter in accordance with an applicable utility tariff or interconnection agreement;
- (C) A vehicle, an engine, equipment or a power source, or a person that engages directly in, or acts for or is subject to the control of another person that engages directly in, manufacturing, assembling, distributing, selling, importing for resale, maintaining, servicing or repairing a vehicle, an engine, equipment or a power source with any

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- (i) An internal combustion engine, including the engine's fuel sys-2 tem or other power sources such as an electric battery or fuel cell, that is not used in a motor vehicle or a vehicle used solely for com-4 petition or that is not subject to standards of performance for sta-5 tionary sources or emission standards for new motor vehicles or new motor vehicle engines under the federal Clean Air Act, 42 U.S.C. 7411 and 7521 et seq.;
- (ii) A vehicle or equipment that is not a motor vehicle or a vehicle 9 used solely for competition and is powered by an engine described in 10 sub-subparagraph (i) of this subparagraph, together with any tools, 11 12 technology, attachments, accessories, components or repair parts for the vehicle or engine; 13
 - (iii) An internal combustion engine or another power source, including an electric battery or fuel cell, that is not used in a motor vehicle, a vehicle used solely for competition or a vehicle described in sub-subparagraph (ii) of this subparagraph, or equipment that is powered by the internal combustion engine or power source, together with tools, technology, attachments, accessories, components or repair parts for the internal combustion engine or the equipment; or
 - (iv) An engine or other power source, including an electric battery or fuel cell, that is used for propulsion or power generation in a maritime environment or waterway, together with any tools, technology, attachments, accessories, components or repair parts for the engine or power source; or
 - (D) A manufacturer, distributor or dealer of any off-road equipment and tools, technology, attachments, accessories, components and repair parts for off-road equipment including, but not limited to, farm and utility tractors, farm implements and machinery, equipment for forestry, industry, utilities, construction, mining or maintaining a yard, garden or turf, outdoor power equipment and portable genera-

- tors, vehicles used in marine environments, for sports, recreation and racing, all-terrain vehicles, power tools and stand-alone or integrated mobile or stationary internal combustion engines or power sources such as generator sets and battery or fuel cell power.
- 5 SECTION 2. (1) As used in this section:

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- (a) "Certification entity" means a person that engages in evaluating and certifying the technical capabilities and competence of independent repair providers in accordance with standards that the person adopts or that an original equipment manufacturer specifies.
- (b) "Repair certification" means evidence that an independent repair provider has the technical and financial capability and competence necessary to safely, securely and reliably repair digital electronic equipment in accordance with standards that a certification entity specifies.
- (2) Before repairing consumer electronic equipment, an authorized service provider and an independent repair provider shall:
- (a) Post at the authorized service provider's or independent repair provider's place of business or on the authorized service provider's or independent repair provider's website, or provide directly to customers, a notice that:
- (A) Specifies the steps the authorized service provider or independent repair provider takes to ensure the customer's privacy and the security of consumer electronic equipment the customer entrusts to the authorized service provider or independent repair provider;
- (B) Recommends steps the consumer should take to ensure privacy and security, including but not limited to:
- 27 (i) Backing up data from the consumer electronic equipment onto 28 another device and permanently erasing the data from the consumer 29 electronic equipment the customer will bring in for repair;
- 30 (ii) Sharing only those passwords or access to functions that are 31 necessary to effect the repair; and

- 1 (iii) Logging out of applications and closing websites and deleting caches or records of application or website use that have sensitive in-2 formation or that otherwise pose a security risk, such as financial 3 applications or websites, electronic mail or messaging or social media 4 accounts: and 5
- (C) Informs the customer about the customer's rights to privacy 6 under the laws of this state.
- (b) Display all of the authorized service provider's or independent 8 repair provider's repair certifications.
- (3) Before repairing consumer electronic equipment, an independent 10 repair provider shall disclose to each customer: 11
 - (a) That the independent repair provider is not an authorized service provider; and
 - (b) Whether replacement parts the independent repair provider incorporates into repairs are used replacement parts or are replacement parts provided by suppliers other than the original equipment manufacturer of the consumer electronic equipment.
- SECTION 3. (1) If the Attorney General determines that a man-18 ufacturer has or controls any information, documents, physical evi-19 dence or other material that is relevant to an investigation of a 20 violation of section 1 of this 2024 Act, or that could lead to a discovery 21 of relevant information in an investigation of a violation of section 1 22 of this 2024 Act, the Attorney General may execute and cause an in-23 vestigative demand to be served upon the manufacturer. The investi-24 gative demand may require that the manufacturer: 25
- (a) Appear and testify under oath at the time and place stated in 26 the investigative demand; 27
- (b) Answer written interrogatories; and 28

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(c) Produce relevant information, documents, physical evidence or 29 other material for examination at the time and place stated in the 30 investigative demand. 31

- 1 (2) An investigative demand under this section must be served as 2 provided in ORS 646.622 and may be enforced as provided in ORS 3 646.626. Within the earlier of the return date specified in the investi-4 gative demand or 20 days after the date on which the investigative 5 demand was served, a manufacturer may petition a circuit court of 6 this state to extend the return date or modify or set aside the inves-7 tigative demand. The petition must state good cause, including any 8 privileged material.
 - (3) If the Attorney General finds that a manufacturer has violated section 1 of this 2024 Act, the Attorney General may bring a civil action in a circuit court of this state to:
 - (a) Impose a civil penalty of not more than \$1,000 for each day in which the violation continues; or
 - (b) Obtain an injunction to restrain the violation.
- SECTION 4. (1) Except as provided in subsection (2) of this section, section 1 of this 2024 Act applies to consumer electronic equipment that is sold or is in use on or after the effective date of this 2024 Act.
- 18 (2) Section 1 of this 2024 Act does not apply to:
- 19 (a) A cell phone that was manufactured for the first time, and first 20 sold or used in this state, before July 1, 2021; or
- 21 (b) Consumer electronic equipment other than a cell phone that 22 was manufactured for the first time, and first sold or used in this 23 state, before July 1, 2015.
- 24 <u>SECTION 5.</u> Section 3 of this 2024 Act applies to violations of sec-25 tion 1 of this 2024 Act that occur on or after July 1, 2026.
- SECTION 6. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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