SB 542 A STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Action Date: 04/04/23

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 3-2-0-0

Yeas: 3 - Golden, Lieber, Sollman

Nays: 2 - Findley, Hayden

Fiscal: Has minimal fiscal impact **Revenue:** No revenue impact

Prepared By: Beth Reiley, LPRO Analyst **Meeting Dates:** 2/9, 2/14, 3/28, 3/30, 4/4

WHAT THE MEASURE DOES:

Requires "original equipment manufacturer" (Manufacturer) to make any documentation, tool, part, or other device or implement that is made available to "authorized service provider" (Authorized Provider) for purpose of diagnosing, maintaining, repairing, or updating consumer electronic equipment (Equipment) available to an owner or an independent repair provider (Independent Provider) on fair and reasonable terms. Requires Manufacturer to make any documentation, tool, or part necessary to disable and reset any electronic security lock or other security function in Equipment that is, or must be, disabled or reset while diagnosing, maintaining, or repairing the Equipment available to an owner or Independent Provider on fair and reasonable terms. Stipulates that requirements apply to Equipment sold or in use on or after effective date of Act. Authorizes person who suffers an ascertainable loss of money or property, real or personal, as result of Manufacturer's failure to comply with requirements, to bring court action. Stipulates under proof of defendant's failure to comply with requirements court shall order compliance and may punish failure to obey court's order with contempt. Authorizes court to award reasonable attorney fees and costs of trial and appeal to prevailing plaintiff. Requires court action be brought within one year of discovering violation. Stipulates requirements of Act do not require Manufacturer to disclose trade secret except as necessary to provide documentation, tool, part, or other implement necessary to diagnose, maintain, or repair Equipment. Maintains existing terms of agreement or arrangement between Manufacturer and Authorized Provider, with exception of any provision that purports to waive, restrict, or limit Manufacturer's compliance. Stipulates requirements do not impose liability on Manufacturer for any bodily injury or damage to Equipment the Independent Provider or owner causes while servicing equipment using resources provided by Manufacturer, with certain exceptions. Exempts certain products. Requires Authorized Provider and Independent Provider to post notice with certain information at place of business, on website, or directly to customers and to display all repair certifications. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Legislative history of "right to repair" legislation
- Enforcement process
- Information security
- Scope of fair and reasonable terms

EFFECT OF AMENDMENT:

Replaces the measure.

Carrier: Sen. Sollman

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BACKGROUND:

According to "Nixing the Fix: An FTC Report to Congress on Repair Restrictions," many consumer products have become difficult to fix and maintain and many repairs require specialized tools, difficult-to-obtain parts, and access to proprietary diagnostic software. When certain home electronics are not functioning properly, the consumer may face the choice of replacing the product or paying for repair services of a business authorized by the original manufacturer to make the repair. In addition, attempting to repair the product at home or through a service not authorized by the original manufacturer may void the product's warranty, and the tools and instructions necessary to make the repair may not be available.

Senate Bill 542 A would require that an original equipment manufacturer make any documentation, tool, part, or other device or implement that the original equipment manufacturer makes available to an authorized repair provider for purpose of diagnosing, maintaining, or repairing consumer electronic equipment available to owners of consumer electronic equipment or independent repair providers on fair and reasonable terms.