

# Senate Bill 926

Sponsored by Senator KNOPP, Representative BREESE-IVERSON, Senator ANDERSON

## 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**.

Prohibits merchant service company or financing agency from retaining funds that are property of merchant for more than 10 calendar days unless merchant service company or financing agency allows merchant access to funds, including ability to withdraw funds, or merchant service company or financing agency pays merchant statutory rate of interest on balance of funds retained.

Punishes violation of Act as unlawful practice under Unlawful Trade Practices Act.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to requirements for retaining merchant funds past a certain period of time; creating new  
3 provisions; amending ORS 646.608; and prescribing an effective date.

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

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

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6 (a) **"Financing agency" has the meaning given that term in ORS 72.1040.**

7 (b) **"Merchant" has the meaning given that term in ORS 72.1040.**

8 (c) **"Merchant service company" means a person that in the ordinary course of business  
9 extends credit to or processes payments from or to a merchant.**

10 (d) **"Statutory rate of interest" means the rate of interest set forth in ORS 82.010 (1).**

11 (2) **A merchant service company or financing agency may not hold for more than 10  
12 calendar days funds that are the property of a merchant with which the merchant service  
13 company or financing agency has an agreement to extend credit or provide payment services  
14 unless the merchant service company or financing agency:**

15 (a) **Allows the merchant access to the funds, including the ability to withdraw the funds  
16 from any account the merchant service company or financing agency maintains for the  
17 merchant; or**

18 (b) **Pays, or credits to the account of, the merchant during each calendar day in which  
19 the merchant service company or financing agency retains funds that are the property of the  
20 merchant an amount that is equivalent to the statutory rate of interest on the balance of  
21 the funds that the merchant service company or financing agency retains.**

22 (3) **A merchant service company or financing agency that violates this section engages  
23 in an unlawful trade practice under ORS 646.608.**

### **SECTION 2. ORS 646.608 is amended to read:**

24  
25 646.608. (1) A person engages in an unlawful practice if in the course of the person's business,  
26 vocation or occupation the person does any of the following:

27 (a) Passes off real estate, goods or services as the real estate, goods or services of another.

28 (b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, ap-  
29 proval, or certification of real estate, goods or services.

**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 (c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or asso-  
2 ciation with, or certification by, another.

3 (d) Uses deceptive representations or designations of geographic origin in connection with real  
4 estate, goods or services.

5 (e) Represents that real estate, goods or services have sponsorship, approval, characteristics,  
6 ingredients, uses, benefits, quantities or qualities that the real estate, goods or services do not have  
7 or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the  
8 person does not have.

9 (f) Represents that real estate or goods are original or new if the real estate or goods are de-  
10 teriorated, altered, reconditioned, reclaimed, used or secondhand.

11 (g) Represents that real estate, goods or services are of a particular standard, quality, or grade,  
12 or that real estate or goods are of a particular style or model, if the real estate, goods or services  
13 are of another.

14 (h) Disparages the real estate, goods, services, property or business of a customer or another  
15 by false or misleading representations of fact.

16 (i) Advertises real estate, goods or services with intent not to provide the real estate, goods or  
17 services as advertised, or with intent not to supply reasonably expectable public demand, unless the  
18 advertisement discloses a limitation of quantity.

19 (j) Makes false or misleading representations of fact concerning the reasons for, existence of,  
20 or amounts of price reductions.

21 (k) Makes false or misleading representations concerning credit availability or the nature of the  
22 transaction or obligation incurred.

23 (L) Makes false or misleading representations relating to commissions or other compensation to  
24 be paid in exchange for permitting real estate, goods or services to be used for model or demon-  
25 stration purposes or in exchange for submitting names of potential customers.

26 (m) Performs service on or dismantles any goods or real estate if the owner or apparent owner  
27 of the goods or real estate does not authorize the service or dismantling.

28 (n) Solicits potential customers by telephone or door to door as a seller unless the person pro-  
29 vides the information required under ORS 646.611.

30 (o) In a sale, rental or other disposition of real estate, goods or services, gives or offers to give  
31 a rebate or discount or otherwise pays or offers to pay value to the customer in consideration of  
32 the customer giving to the person the names of prospective purchasers, lessees, or borrowers, or  
33 otherwise aiding the person in making a sale, lease, or loan to another person, if earning the rebate,  
34 discount or other value is contingent upon an event occurring after the time the customer enters  
35 into the transaction.

36 (p) Makes any false or misleading statement about a prize, contest or promotion used to publi-  
37 cize a product, business or service.

38 (q) Promises to deliver real estate, goods or services within a certain period of time with intent  
39 not to deliver the real estate, goods or services as promised.

40 (r) Organizes or induces or attempts to induce membership in a pyramid club.

41 (s) Makes false or misleading representations of fact concerning the offering price of, or the  
42 person's cost for real estate, goods or services.

43 (t) Concurrent with tender or delivery of any real estate, goods or services fails to disclose any  
44 known material defect or material nonconformity.

45 (u) Engages in any other unfair or deceptive conduct in trade or commerce.

1 (v) Violates any of the provisions relating to auction sales, consignment sales, auctioneers,  
2 consignees or auction marts under ORS 698.640, whether in a commercial or noncommercial situ-  
3 ation.

4 (w) Manufactures mercury fever thermometers.

5 (x) Sells or supplies mercury fever thermometers unless the thermometer is required by federal  
6 law, or is:

7 (A) Prescribed by a person licensed under ORS chapter 677; and

8 (B) Supplied with instructions on the careful handling of the thermometer to avoid breakage and  
9 on the proper cleanup of mercury should breakage occur.

10 (y) Sells a thermostat that contains mercury unless the thermostat is labeled in a manner to  
11 inform the purchaser that mercury is present in the thermostat and that the thermostat may not be  
12 disposed of until the mercury is removed, reused, recycled or otherwise managed to ensure that the  
13 mercury does not become part of the solid waste stream or wastewater. For purposes of this para-  
14 graph, "thermostat" means a device commonly used to sense and, through electrical communication  
15 with heating, cooling or ventilation equipment, control room temperature.

16 (z) Sells or offers for sale a motor vehicle manufactured after January 1, 2006, that contains  
17 mercury light switches.

18 (aa) Violates the provisions of ORS 803.375, 803.385 or 815.410 to 815.430.

19 (bb) Violates ORS 646A.070 (1).

20 (cc) Violates any requirement of ORS 646A.030 to 646A.040.

21 (dd) Violates the provisions of ORS 128.801 to 128.898.

22 (ee) Violates ORS 646.883 or 646.885.

23 (ff) Violates ORS 646.569.

24 (gg) Violates the provisions of ORS 646A.142.

25 (hh) Violates ORS 646A.360.

26 (ii) Violates ORS 646.553 or 646.557 or any rule adopted pursuant thereto.

27 (jj) Violates ORS 646.563.

28 (kk) Violates ORS 759.680 or any rule adopted pursuant thereto.

29 (LL) Violates the provisions of ORS 759.705, 759.710 and 759.720 or any rule adopted pursuant  
30 thereto.

31 (mm) Violates ORS 646A.210 or 646A.214.

32 (nn) Violates any provision of ORS 646A.124 to 646A.134.

33 (oo) Violates ORS 646A.095.

34 (pp) Violates ORS 822.046.

35 (qq) Violates ORS 128.001.

36 (rr) Violates ORS 646A.800 (2) to (4).

37 (ss) Violates ORS 646A.090 (2) to (5).

38 (tt) Violates ORS 87.686.

39 (uu) Violates ORS 646A.803.

40 (vv) Violates ORS 646A.362.

41 (ww) Violates ORS 646A.052 or any rule adopted under ORS 646A.052 or 646A.054.

42 (xx) Violates ORS 180.440 (1) or 180.486 (1).

43 (yy) Commits the offense of acting as a vehicle dealer without a certificate under ORS 822.005.

44 (zz) Violates ORS 87.007 (2) or (3).

45 (aaa) Violates ORS 92.405 (1), (2) or (3).

- 1 (bbb) Engages in an unlawful practice under ORS 646.648.
- 2 (ccc) Violates ORS 646A.365.
- 3 (ddd) Violates ORS 98.853, 98.854, 98.856 or 98.858.
- 4 (eee) Sells a gift card in violation of ORS 646A.276.
- 5 (fff) Violates ORS 646A.102, 646A.106 or 646A.108.
- 6 (ggg) Violates ORS 646A.430 to 646A.450.
- 7 (hhh) Violates a provision of ORS 744.318 to 744.384.
- 8 (iii) Violates a provision of ORS 646A.702 to 646A.720.
- 9 (jjj) Violates ORS 646A.530 30 or more days after a recall notice, warning or declaration de-
- 10 scribed in ORS 646A.530 is issued for the children’s product, as defined in ORS 646A.525, that is the
- 11 subject of the violation.
- 12 (kkk) Violates a provision of ORS 697.612, 697.642, 697.652, 697.662, 697.682, 697.692 or 697.707.
- 13 (LLL) Violates the consumer protection provisions of the Servicemembers Civil Relief Act, 50
- 14 U.S.C. 3901 et seq., as in effect on January 1, 2010.
- 15 (mmm) Violates a provision of ORS 646A.480 to 646A.495.
- 16 (nnn) Violates ORS 646A.082.
- 17 (ooo) Violates ORS 646.647.
- 18 (ppp) Violates ORS 646A.115.
- 19 (qqq) Violates a provision of ORS 646A.405.
- 20 (rrr) Violates ORS 646A.092.
- 21 (sss) Violates a provision of ORS 646.644.
- 22 (ttt) Violates a provision of ORS 646A.295.
- 23 (uuu) Violates ORS 646A.564.
- 24 (vvv) Engages in the business of, or acts in the capacity of, an immigration consultant, as de-
- 25 fined in ORS 9.280, in this state and for compensation, unless federal law authorizes the person to
- 26 do so or unless the person is an active member of the Oregon State Bar.
- 27 (www) Violates ORS 702.012, 702.029 or 702.054.
- 28 (xxx) Violates ORS 646A.806.
- 29 (yyy) Violates ORS 646A.810 (2).
- 30 (zzz) Violates ORS 443.376.
- 31 (aaaa) Violates a provision of ORS 646A.770 to 646A.787.
- 32 **(bbbb) Violates section 1 of this 2023 Act.**
- 33 (2) A representation under subsection (1) of this section or ORS 646.607 may be any manifesta-
- 34 tion of any assertion by words or conduct, including, but not limited to, a failure to disclose a fact.
- 35 (3) In order to prevail in an action or suit under ORS 336.184 and 646.605 to 646.652, a prose-
- 36 cuting attorney need not prove competition between the parties or actual confusion or misunder-
- 37 standing.
- 38 (4) An action or suit may not be brought under subsection (1)(u) of this section unless the At-
- 39 torney General has first established a rule in accordance with the provisions of ORS chapter 183
- 40 declaring the conduct to be unfair or deceptive in trade or commerce.
- 41 (5) Notwithstanding any other provision of ORS 336.184 and 646.605 to 646.652, if an action or
- 42 suit is brought under subsection (1)(xx) of this section by a person other than a prosecuting attor-
- 43 ney, relief is limited to an injunction and the prevailing party may be awarded reasonable attorney
- 44 fees.
- 45 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**

1 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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