SB 1596-7 (LC 111) 2/6/24 (TSB/ps)

Requested by Senator SOLLMAN

PROPOSED AMENDMENTS TO SENATE BILL 1596

On <u>page 1</u> of the printed bill, line 2, after "equipment;" delete the rest of the line and insert "creating new provisions; and amending ORS 180.095.".

4 Delete lines 9 through 21 and delete pages 2 through 7 and insert:

5 "SECTION 1. (1) As used in this section and section 2 of this 2024
6 Act:

7 "(a) 'Authorized service provider' means:

8 "(A) A person that has an arrangement with an original equipment
9 manufacturer under which:

"(i) The original equipment manufacturer grants a license to the person for the use of, or otherwise permits the person to use, the original equipment manufacturer's trade name, service mark or other proprietary identification for the purpose of offering the services of diagnosing, maintaining, repairing or updating consumer electronic equipment; or

16 "(ii) The person offers the services of diagnosing, maintaining, re-17 pairing or updating consumer electronic equipment on behalf of the 18 original equipment manufacturer or under the original equipment 19 manufacturer's warranty; or

20 "(B) An original equipment manufacturer, but only in instances 21 where the original equipment manufacturer does not have an arrangement described in subparagraph (A) of this paragraph and offers
the services of diagnosing, maintaining, repairing or updating consumer electronic equipment that the original equipment manufacturer
makes or sells.

5 "(b) 'Consumer electronic equipment' means a product that:

6 "(A) Functions, in whole or in part, on the basis of digital elec-7 tronics that are embedded within or attached to the product;

8 "(B) Is tangible personal property;

9 "(C) Is generally used for personal, family or household purposes;

"(D) Is sold, used or supplied in this state one year or more after
 the product was first manufactured and one year or more after the
 product was first sold or used in this state; and

"(E) Might be, but is not necessarily, capable of attachment to or
 installation in real property.

"(c) 'Documentation' means any manual, diagram, reporting out put, service code description, schematic diagram, security code, pass word or other guidance or information that enables a person to
 diagnose, maintain, repair or update consumer electronic equipment.

"(d) 'Fair and reasonable terms' means terms under which an ori ginal equipment manufacturer:

"(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, repairing or updating 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 "(C) Makes parts available directly or through an authorized service
provider to:

"(i) An independent repair provider or 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, means of enabling fully restored and updated functionality, rights of use or other incentive or preference the original equipment manufacturer offers to an authorized service provider, or that impose any additional cost, burden or impediment on an independent repair provider or an owner that the original equipment manufacturer also imposes on an authorized service provider;

(II) Do not impose a substantial condition, obligation or restriction that is not reasonably necessary to enable an independent repair provider or an owner to diagnose, maintain, repair or update consumer electronic equipment that the original equipment manufacturer makes or sells; and

"(III) Do not require an independent repair provider or an owner
 to 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 inde pendent 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 an owner to diagnose, maintain, repair or update consumer elec tronic equipment that the original equipment manufacturer makes or
 sells.

4 "(e) 'Independent repair provider' means a person that:

"(A) Engages in the business of diagnosing, maintaining, repairing
or updating consumer electronic equipment in this state but is not an
authorized service provider; and

"(B) Possesses a valid and unexpired certification that demonstrates 8 that the person has the technical capabilities and competence neces-9 sary to safely, securely and reliably repair consumer electronic equip-10 ment in accordance with widely accepted standards, such as a Wireless 11 Industry Service Excellence Certification, an A+ certification from 12 the Computing Technology Industry Association, a National Appliance 13 Service Technician Certification or another certification that an ori-14 ginal equipment manufacturer accepts as evidence that the person can 15perform safe, secure and reliable repairs to consumer electronic 16 equipment that the original equipment manufacturer makes or sells. 17

"(f) 'Original equipment manufacturer' means a person that engages 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.

"(g) 'Owner' means a person that owns or leases from a lessor
consumer electronic equipment that the person or the lessor purchased or used in this state.

"(h) 'Part' means a new or used replacement component for consumer electronic equipment that an original equipment manufacturer
makes available for the purpose of maintaining, repairing or updating
consumer electronic equipment that the original equipment manufacturer makes or sells.

³⁰ "(i) 'Parts pairing' means a manufacturer's practice of using soft-

1 ware to identify component parts through a unique identifier.

"(j) 'Tool' means software, a hardware implement or an apparatus by means of which a person can diagnose, maintain, repair or update 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.

"(k) 'Trade secret' has the meaning given that term in ORS 646.461.
"(L)(A) 'Video game console' means a computing device, and components and peripherals for the computing device, that is intended
primarily for playing interactive video games.

"(B) 'Video game console' does not include a general purpose per sonal computer that has the capability to run video games alongside
 other computing functions.

"(2)(a) An original equipment manufacturer shall make available 15to an owner or an independent repair provider on fair and reasonable 16 terms any documentation, tool, part or other device or implement that 17 the original equipment manufacturer makes available to an authorized 18 service provider for the purpose of diagnosing, maintaining, repairing 19 or updating consumer electronic equipment that the original equip-20ment manufacturer makes or sells and that is sold or used in this 21state. 22

23 "(b) An original equipment manufacturer may not use parts pairing
24 to:

25 "(A) Prevent or inhibit an independent repair provider or an owner 26 from installing or enabling the function of a replacement part or a 27 component of consumer electronic equipment, including a replacement 28 part or a component that the original equipment manufacturer has 29 not approved;

30 "(B) Reduce the functionality or performance of consumer elec-

1 tronic 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.

5 **"(3) This section does not:**

6 "(a) Require an original equipment manufacturer to disclose a trade 7 secret or license intellectual property, including copyrights or patents, 8 to an independent repair provider or an owner except as necessary to 9 provide, on fair and reasonable terms, any documentation, tool, part 10 or other device or implement used to diagnose, maintain, repair or 11 update consumer electronic equipment.

"(b) Alter the terms of any agreement or arrangement between an 12 original equipment manufacturer and an authorized service provider 13 including, but not limited to, the authorized service provider's per-14 formance or provision of warranty service or recall repair work on the 15original equipment manufacturer's behalf under the agreement or ar-16 rangement, except that any provision in the agreement or arrange-17 ment that purports to waive, restrict or limit the original equipment 18 manufacturer's compliance with this section is void and 19 unenforceable. 20

"(c) Impose liability upon an original equipment manufacturer for 21any bodily injury or damage to consumer electronic equipment that 22an independent repair provider or an owner causes while diagnosing, 23maintaining, repairing or updating the consumer electronic equipment 24using documentation, tools, parts or other devices or implements that 25the original equipment manufacturer made available on fair and rea-26sonable terms to an authorized service provider, an independent repair 27provider or an owner before the date of the diagnosis, maintenance, 28repair or update, except that an original equipment manufacturer re-29 mains liable to the extent that the laws of this state provide for strict 30

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, parts or other devices or implements that would disable or override, without an owner's authorization, anti-theft or privacy security measures that the owner sets for consumer electronic equipment.

8 "(e) Require an original equipment manufacturer to provide to an 9 independent repair provider or an owner any part that the equipment 10 manufacturer no longer makes or no longer provides to authorized 11 service providers.

12 **"(f) Apply to:**

"(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;

18 **"(B) A product or service or equipment that:**

19 "(i) Has never been available for retail sale to a consumer;

"(ii) Is a medical device, as defined in the Federal Food, Drug, and 20Cosmetic Act, 21 U.S.C. 301 et seq., or a digital electronic product, 21software, control equipment or a related product manufactured for or 22service provided for use in diagnosis or monitoring in an acute care 23hospital, a long term care facility such as a nursing home or skilled 24nursing facility, a physician's office, an urgent care center, an outpa-25tient clinic, a home setting where health care is provided by or at the 26direction of a licensed health care provider or an emergency medical 27service facility or for use in diagnosis or monitoring at a site where 28health care is routinely delivered on premises that are not otherwise 29 a health care facility, such as a medical clinic within a school; 30

"(iii) Provides heat, ventilation or air conditioning or recharges
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;

6 "(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 that 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 of the following characteristics:

"(i) An internal combustion engine, including the engine's fuel system or other power sources such as an electric battery or a fuel cell, that is not used in a motor vehicle or in a vehicle used solely for competition or that is not subject to standards of performance for stationary 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
used solely for competition and is powered by an engine described in
sub-subparagraph (i) of this subparagraph, together with any tools,
technology, attachments, accessories, components or repair parts for
the vehicle, equipment or engine;

"(iii) An internal combustion engine or another power source, in-1 cluding an electric battery or a fuel cell, that is not used in a motor $\mathbf{2}$ vehicle, in a vehicle used solely for competition or in a vehicle or 3 equipment described in sub-subparagraph (ii) of this subparagraph, or 4 equipment that is powered by the internal combustion engine or other $\mathbf{5}$ power source, together with tools, technology, attachments, accesso-6 ries, components or repair parts for the internal combustion engine, 7the other power source or the equipment; or 8

9 "(iv) An engine or other power source, including an electric battery 10 or a fuel cell, that is used for propulsion or power generation in a 11 maritime environment or a waterway, together with any tools, tech-12 nology, attachments, accessories, components or repair parts for the 13 engine or the other power source; or

"(D) A manufacturer, distributor or dealer of any off-road equip-14 ment or of tools, technology, attachments, accessories, components 15or repair parts for off-road equipment including, but not limited to, 16 farm and utility tractors, farm implements and machinery, equipment 17 for forestry, industry, utilities, construction, mining or maintaining 18 a yard, garden or turf, outdoor power equipment and portable gener-19 ators, vehicles used in marine environments, for sports, recreation and 20racing, all-terrain vehicles, power tools and stand-alone or integrated 21mobile or stationary internal combustion engines or power sources 22such as generator sets and battery or fuel cell power. 23

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"<u>SECTION 2.</u> (1) As used in this section:

"(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.

29 "(b) 'Repair certification' means evidence that an independent re-30 pair 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.

4 "(2) Before repairing consumer electronic equipment, an authorized
5 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:

10 "(A) Specifies the steps the authorized service provider or inde-11 pendent repair provider takes to ensure the customer's privacy and the 12 security of consumer electronic equipment the customer entrusts to 13 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:

"(i) Backing up data from the consumer electronic equipment onto
 another device and permanently erasing the data from the consumer
 electronic equipment the customer will bring in for repair;

"(ii) Sharing only those passwords or access to functions that are
 necessary to effect the repair; and

"(iii) Logging out of applications, closing websites and deleting caches or records of application or website use that have sensitive information or that otherwise pose a security risk, such as financial applications or websites, electronic mail or messaging or social media accounts; and

"(C) Informs the customer about the customer's rights to privacy
 under the laws of this state.

"(b) Display all of the authorized service provider's or independent
 repair provider's repair certifications.

30 "(3) Before repairing consumer electronic equipment, an independ-

1 ent repair provider shall disclose to each customer:

"(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 person 8 has or controls any information, documents, physical evidence or 9 other material that is relevant to an investigation of a violation of 10 section 1 of this 2024 Act, or that could lead to a discovery of relevant 11 information in an investigation of a violation of section 1 of this 2024 12 Act, the Attorney General may execute and cause an investigative 13 demand to be served upon the person. The investigative demand may 14 require that the person: 15

"(a) Appear and testify under oath at the time and place stated in
 the investigative demand;

18 **"(b) Answer written interrogatories; and**

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

"(2) An investigative demand under this section must be served as 22provided in ORS 646.622 and may be enforced as provided in ORS 23646.626. Within the earlier of the return date specified in the investi-24gative demand or 20 days after the date on which the investigative 25demand was served, a person may petition a circuit court of this state 26to extend the return date or modify or set aside the investigative de-27mand. The petition must state good cause, including any privileged 28material. 29

30 "(3) Information the Attorney General obtains under this section

that is a trade secret, as defined in ORS 192.345, is confidential and is
not subject to public disclosure under ORS 192.311 to 192.478.

"(4) If the Attorney General finds that a person has violated section
1 of this 2024 Act, the Attorney General may bring a civil action in a
circuit court of this state to:

6 "(a) Impose a civil penalty of not more than \$1,000 for each day in
7 which the violation continues; or

8 "(b) Obtain an injunction to restrain the violation.

9 "(5) The Attorney General shall deposit the proceeds of any civil 10 penalties the Attorney General recovers under this section into the 11 Department of Justice Protection and Education Revolving Account 12 created under ORS 180.095.

"SECTION 4. The Attorney General shall submit not later than 13 December 31, 2025, a report to an interim committee of the Legislative 14 Assembly concerned with consumer protection in which the Attorney 15General specifies the number and nature of complaints from owners 16 and independent repair providers the Attorney General received within 17 the previous two years concerning original equipment manufacturers 18 that did not provide upon request documentation, tools, parts or other 19 devices or implements necessary to diagnose, maintain, repair or up-20date consumer electronic equipment that the original equipment 21manufacturer makes or sells. 22

²³ "<u>SECTION 5.</u> ORS 180.095 is amended to read:

"180.095. (1) The Department of Justice Protection and Education Revolving Account is created in the General Fund. All moneys in the account are continuously appropriated to the Department of Justice and may be used to pay for only the following activities:

"(a) Restitution and refunds in proceedings described in paragraph (c) of
 this subsection;

30 "(b) Consumer and business education relating to the laws governing

SB 1596-7 2/6/24 Proposed Amendments to SB 1596 1 antitrust and unlawful trade practices; and

"(c) Personal services, travel, meals, lodging and all other costs and expenses incurred by the department in investigating, preparing, commencing and prosecuting the following actions and suits, and enforcing judgments, settlements, compromises and assurances of voluntary compliance arising out of the following actions and suits:

7 "(A) Actions and suits under the state and federal antitrust laws;

8 "(B) Actions and suits under ORS 336.184 and 646.605 to 646.656;

9 "(C) Actions commenced under ORS 59.331;

10 "(D) Actions and suits under ORS 180.750 to 180.785;

11 "(E) Actions and suits under ORS 646A.025; [and]

12 "(F) Actions commenced under ORS 646A.589[.]; and

13 "(G) Actions and suits under section 3 of this 2024 Act.

"(2) Moneys in the Department of Justice Protection and Education Revolving Account are not subject to allotment. Upon request of the Attorney General, the State Treasurer shall create subaccounts within the account for the purposes of managing moneys in the account and allocating those moneys to the activities described in subsection (1) of this section.

"(3) Except as otherwise provided by law, all sums of money received by 19 the Department of Justice under a judgment, settlement, compromise or as-20surance of voluntary compliance, including damages, restitution, refunds, 21attorney fees, costs, disbursements and other recoveries, but excluding civil 22penalties under ORS 646.642, in proceedings described in subsection (1)(c) of 23this section shall, upon receipt, be deposited with the State Treasurer to the 24credit of the Department of Justice Protection and Education Revolving Ac-25count. However, if the action or suit was based on an expenditure or loss 26from a public body or a dedicated fund, the amount of such expenditure or 27loss, after deduction of attorney fees and expenses awarded to the department 28by the court or agreed to by the parties, if any, shall be credited to the 29 public body or dedicated fund and the remainder thereof credited to the De-30

SB 1596-7 2/6/24 Proposed Amendments to SB 1596 1 partment of Justice Protection and Education Revolving Account.

"(4) If the Department of Justice recovers restitution or refunds in a proceeding described in subsection (1)(c) of this section, and the department cannot determine the persons to whom the restitution or refunds should be paid or the amount of the restitution or refund payable to individual claimants is de minimis, the restitution or refunds may not be deposited in the Department of Justice Protection and Education Revolving Account and shall be deposited in the General Fund.

9 "(5) Before April 1 of each odd-numbered year, the Department of Justice 10 shall report to the Joint Committee on Ways and Means:

"(a) The department's projection of the balance in the Department of Justice Protection and Education Revolving Account at the end of the biennium in which the report is made and at the end of the following biennium;

15 "(b) The amount of the balance held for restitution and refunds;

"(c) An estimate of the department's anticipated costs and expenses under
 subsection (1)(b) and (c) of this section for the biennium in which the report
 is made and for the following biennium; and

"(d) Any judgment, settlement, compromise or other recovery, the pro ceeds of which are used for purposes other than:

"(A) For deposit into the Department of Justice Protection and Education
 Revolving Account; or

"(B) For payment of legal costs related to the judgment, settlement,
compromise or other recovery.

"(6) The Joint Committee on Ways and Means, after consideration of recommendations made by the Department of Justice, shall use the information reported under subsection (5) of this section to determine an appropriate balance for the revolving account.

²⁹ "<u>SECTION 6.</u> (1) As used in this section, 'cell phone' means a ³⁰ handheld product that includes a battery, microphone, speaker and display and that is designed to send and receive transmissions through
 a cellular radiotelephone service.

"(2) Except as provided in subsection (3) of this section, section 1
of this 2024 Act applies to consumer electronic equipment that is sold
in this state or is in use in this state on or after the effective date of
this 2024 Act.

7 "(3) Section 1 of this 2024 Act does not apply to:

"(a) A cell phone that was manufactured for the first time, and first
sold or used in this state, before July 1, 2021; or

"(b) Consumer electronic equipment other than a cell phone that
was manufactured for the first time, and first sold or used in this
state, before July 1, 2015.

"SECTION 7. Section 3 of this 2024 Act applies to violations of section 1 of this 2024 Act that occur on or after July 1, 2027.".

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