

SB2909



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2909

Introduced 2/15/2008, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

New Act

Creates the Consumer Contract Plain Language Act. Requires that consumer contracts involving \$100,000 or less meet certain criteria to be clear and readable. Authorizes the Attorney General to bring an action to restrain the use of a consumer contract that violates the Act.

LRB095 20049 WGH 46499 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning consumer contracts.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Consumer Contract Plain Language Act.

6 Section 5. Definitions. As used in this Act, unless the
7 context clearly requires otherwise:

8 "Consumer" means an individual who, primarily for
9 personal, family, or household purposes, either: (i) gives or
10 promises to give money or other consideration in exchange for
11 an interest in services or real or personal property, including
12 money, or (ii) leases residential premises for a term not
13 exceeding 3 years.

14 "Consumer contract" means a written contract with a
15 consumer in which the price, excluding interest or finance
16 charges, is \$100,000 or less.

17 Section 10. Plain language required. Except as provided in
18 Section 15, every consumer contract made after the effective
19 date of this Act shall meet all of the following criteria:

20 (1) The contract shall adequately inform the consumer
21 of the rights and duties fixed by the contract.

22 (2) The contract shall be sufficiently clear and

1 readable for the ordinary reader, using, so far as is
2 practical, words with common, everyday meanings.

3 (3) The contract shall be appropriately divided into
4 sections and paragraphs, and the sections shall contain
5 captions.

6 (4) The contract shall be printed in 10-point or larger
7 type, with at least one point of leading between lines, and
8 in ink that contrasts sufficiently with the paper.

9 Section 15. Exceptions. This Act does not prohibit the use
10 of the following in consumer contracts:

11 (1) Words or phrases, or forms of agreement, required
12 by State or federal law or by rule or regulation of a State
13 or federal governmental instrumentality.

14 (2) Technical terms used to describe a service or
15 property that is the subject of the contract if (i) those
16 terms are customarily used by consumers in connection with
17 the service or property or (ii) there is no sufficiently
18 clear and readable substitute for those terms.

19 Section 20. Violation.

20 (a) A violation of Section 10 does not render a consumer
21 contract void or voidable, nor does it constitute a defense to
22 an action or proceeding for breach of the contract or to
23 enforce the contract.

24 (b) If the Attorney General has reason to believe that a

1 business entity is using or has used a consumer contract that
2 violates Section 10 and determines that an action under this
3 subsection would be in the public interest, the Attorney
4 General may bring an action, in the name of the People of the
5 State of Illinois, against that business entity to restrain the
6 use of that consumer contract.