



Sen. Michael Noland

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1 AMENDMENT TO SENATE BILL 1295

2 AMENDMENT NO. _____. Amend Senate Bill 1295 by replacing
3 the title with the following:

4 "AN ACT concerning consumer contract protection in
5 Illinois."; and

6 by replacing everything after the enacting clause with the
7 following:

8 "Section 1. Short title. This Act may be cited as the
9 Consumer Contract Plain Language Act.

10 Section 5. Definitions. As used in this Act:

11 "Consumer" means an individual who borrows, buys, or leases
12 services or products under a consumer contract.

13 "Consumer contract" or "contract" means a written
14 agreement between a consumer and a party, acting in the usual

1 course of business, for products or services made or performed
2 for primarily personal, family, or household purposes. A
3 "consumer contract" includes, but is not limited to, standard
4 form contracts, consumer agreements, forms, or terms.

5 "Covered entity" means a person who utilizes consumer
6 contracts in the usual course of business.

7 "Transaction" means a business transaction that occurs
8 between a consumer and a covered entity for the exchange of
9 products or services through the use of a consumer contract.

10 Section 10. Scope and construction.

11 (a) This Act applies to all consumer contracts, except that
12 this Act does not apply to format or language required by State
13 or federal law or regulation.

14 (b) This Act is to be liberally construed to further its
15 purposes, which are to ensure that consumer contracts are
16 written in a simple format and plain language and to protect
17 consumers against unfair or deceptive form contracts.

18 Section 15. Plain language. A contract entered into on or
19 after the effective date of this Act shall be written in a
20 simple, clear, understandable, and easily readable manner. In
21 determining whether a contract as a whole has been written in a
22 simple, clear, understandable, and easily readable manner, a
23 court, the Attorney General, or proper regulatory agency, shall
24 apply the provisions of Section 20.

1 Section 20. Requirements for contracts.

2 (a) For a contract to be simple, clear, understandable, and
3 easily readable, it must be written in plain language. A
4 contract is written in plain language if:

5 (1) it is written in a clear and coherent manner using
6 words with common and everyday meanings; use of technical
7 terms or words of art is not, however, in and of itself a
8 violation of this Act;

9 (2) it is appropriately divided and captioned by its
10 various sections;

11 (3) it uses type of readable size and no less than
12 10-point font;

13 (4) it uses layout and spacing that separate the lines,
14 paragraphs, and sections of the contract from each other
15 and from the borders of the paper or medium upon which it
16 is displayed;

17 (5) it uses simple and active verb forms;

18 (6) it uses ink that contrasts with the paper or medium
19 upon which it is displayed;

20 (7) it does not contain a provision that permits the
21 unilateral modification of the contract by the covered
22 entity to the disadvantage of the consumer without explicit
23 consumer consent after the execution of the contract;

24 (8) it uses a table of contents or alphabetical index
25 and definitional glossary for all contracts with more than

1 2,000 words; and

2 (9) conditions and exceptions to the main promise of
3 the contract are given prominence equal to that given to
4 the main promise and are in at least 10-point bold type.

5 (b) A contract may not be simple, clear, understandable, or
6 easily readable if it contains one or more the following:

7 (1) cross references that are confusing;

8 (2) references to terms not included in the consumer
9 contract that are necessary to understand its material
10 provisions;

11 (3) sentences that are of greater length than
12 necessary;

13 (4) sentences that contain double negatives and
14 exceptions to exceptions;

15 (5) sentences and sections that are in a confusing or
16 illogical order;

17 (6) the use of words with obsolete meanings or words
18 that differ in their legal meaning from their common,
19 ordinary meaning; and

20 (7) frequent use of Old English and Middle English
21 words and Latin and French phrases.

22 Section 25. Content of contracts. A covered entity shall
23 include a clear and conspicuous description of the terms of the
24 contract, including the total cost of all fees and other
25 charges or waiver of rights in connection with the transaction,

1 in English and in the language in which the transaction was
2 conducted. No consumer contract may contain a waiver of any
3 rights granted under this Act.

4 Section 30. Enforcement. The Illinois Attorney General may
5 bring an action to enforce this Act and to obtain injunctive
6 relief in any court of competent jurisdiction not later than 5
7 years after the date of the violation. Any person or
8 organization, whether or not a party to a covered contract, and
9 any law enforcement official may bring an action to enjoin the
10 use of a contract that violates this Act.

11 Section 35. Safe harbor. There shall be no liability under
12 Section 40 if any of the following occurs:

13 (1) the consumer wrote the contract or the part of it
14 that violates this Act; or

15 (2) the creditor, seller, or lessor made a good faith
16 and reasonable effort to comply with this Act.

17 Section 40. Penalties. A person who knowingly violates the
18 requirements of Section 20 shall be liable to the consumer for
19 the following:

20 (1) compensation in an amount equal to the value of any
21 actual loss caused by the violation of this Act;

22 (2) statutory damages of the lesser of \$1,000 or the
23 total amount of the contract;

- 1 (3) court costs;
- 2 (4) reasonable attorney's fees; and
- 3 (5) any equitable and other relief ordered by the
- 4 court.

5 Section 97. Severability. The provisions of this Act are

6 severable under Section 1.31 of the Statute on Statutes.

7 Section 99. Effective date. This Act takes effect upon

8 becoming law."