

## HCS HB 195 -- ARBITRATION AGREEMENTS

SPONSOR: Ellebracht

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Litigation Reform by a vote of 6 to 0.

The following is a summary of the House Committee Substitute for HB 195.

This bill specifies that no claim for damages brought under unlawful merchandising practices statutes will be subject to arbitration unless both parties agree to arbitration in a separate written agreement. The separate written document containing such forum selection provision shall:

- (1) Be written in 16 point font;
- (2) Require a handwritten signature from both parties signed in person; and
- (3) Contain a right to opt out of this provision for the consumer that is clearly displayed and requires a hand-signed signature from the consumer.

The opt-out clause shall expire no earlier than 15 years from the date on which the contract was signed unless the contract guarantees a warranty that extends longer than 15 years, then the opt-out clause shall expire when such warranty expires.

This bill is similar to HB 2031 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that the bill will protect individuals and will make the agreement process fair.

Testifying for the bill was Representative Ellebracht.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.