

SB 430 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/23, 3/13, 3/18, 3/20

WHAT THE MEASURE DOES:

The measure requires a retail seller that offers and sells goods or services online to a resident of this state to display a written summary of the transaction prior to concluding the online sale. The measure specifies what the written summary must include, such as the total amount due for the transaction, and any handling or service charges that apply to the transaction. The measure also requires the written summary display permit a retail buyer to review the entire transaction and either approve the transaction as displayed or make changes to the transaction. The measure specifies process for retail seller that offers and sells goods or services online to a resident of this state to conclude transaction with retail buyer when the retail seller does not finance or enter into a retail charge agreement or retail installment contract with the retail buyer. The measure specifies process for retail seller that offers and sells goods or services online to a resident of this state to conclude transaction with retail buyer when the retail seller enters into a retail charge agreement, retail installment contract, or otherwise extends credit for the purpose of completing the online transaction. Applies to transactions that conclude on or after effective date. Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Impetus for measure
- The Uniform Commercial Code
- Transparency and consumer protection
- Regulation of online commerce
- Application of the Unlawful Trade Practices Act
- Existing legal protections
- Attorney General enforcement versus private right of action
- Application to national advertisements
- Exemption for fees and taxes

EFFECT OF AMENDMENT:

-1 Replaces the measure. The amendment specifies that a person that offers or sells goods or services online to a resident of Oregon may not advertise, display, or offer a price for the goods or services that does not include all fees or charges that a purchaser must pay to complete a transaction for the goods or services. The amendment provides exceptions to this requirement for goods or services that are taxes or fees that a governmental body imposes on a transaction, or reasonable charges that a person actually incurs to ship the goods or provide the services to the purchaser. The amendment makes violation of this provision an unlawful business or trade practice. Applies to transactions that conclude on or after the effective date of the measure. Takes effect on the 91st day following adjournment sine die.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

BACKGROUND:

The Federal Trade Commission (FTC) was created on September 26, 1914. It is a government agency that is intended to protect the public from deceptive or unfair business practices, and from unfair methods of competition. Recently, the FTC issued a final rule on unfair or deceptive fees that will be effective on May 12, 2025. The final rule, 16 CFR Part 464, specifies that it is an unfair and deceptive practice for businesses to offer, display, or advertise any price of live-event tickets or short-term lodging without clearly, conspicuously and prominently disclosing the total price. The rule defines "total price" to include the maximum total of all fees or charges a consumer must pay for any goods or services and any mandatory ancillary good or service, except that government charges, shipping charges, and fees or charges for any optional ancillary good or service may be excluded. The final rule also requires businesses to make specified disclosures before a consumer makes a purchase. Finally, the rule makes it an unfair and deceptive practice for businesses to misrepresent any fee or charge in any offer, display, or advertisement for live-event tickets or short-term lodging.

The Unlawful Trade Practices Act (UTPA) is one tool consumers may use to recover damages that occur as a result of deceptive sales or business practices. The UTPA was enacted in 1971. The UTPA provides individuals with a right of private action for deceptive practices with the sale of real estate, goods, or services. Additional recovery powers are given to the Attorney General and district attorneys.

Senate Bill 430 requires a retail seller that offers and sells goods or services online to a resident of this state to display a written summary of the transaction prior to concluding the online sale.