



Sen. Michael Noland

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LRB097 04857 JLS 67829 a

1 AMENDMENT TO SENATE BILL 1135

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1135 by replacing  
3 everything after the enacting clause with the following:

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:

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

9 "Consumer contract" or "contract" means a written  
10 agreement between a consumer and a party, acting in the usual  
11 course of business, for products or services made or performed  
12 for primarily personal, family, or household purposes. A  
13 "consumer contract" includes, but is not limited to, standard  
14 form contracts, consumer agreements, forms, or terms.

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

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

4           Section 10. Scope. This Act applies to all consumer  
5 contracts.

6           Section 15. Plain language. A contract entered into on or  
7 after the effective date of this Act shall be written in a  
8 simple, clear, understandable, and easily readable manner. In  
9 determining whether a contract as a whole has been written in a  
10 simple, clear, understandable, and easily readable manner, a  
11 court, the Attorney General, or proper regulatory agency, shall  
12 apply the provisions of Section 20.

13           Section 20. Requirements for contracts.

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

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

21                 (2) it is appropriately divided and captioned by its  
22 various sections;

23                 (3) it uses type of readable size and no less than

1 8-point font;

2 (4) it uses layout and spacing that separate the  
3 paragraphs and sections of the contract from each other and  
4 from the borders of the paper or medium upon which it is  
5 displayed;

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

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

9 (7) it does not contain a provision that permits the  
10 unilateral modification of the contract by the covered  
11 entity to the disadvantage of the consumer without explicit  
12 consumer consent after the execution of the contract;

13 (8) it uses a table of contents or alphabetical index  
14 and definitional glossary for all contracts with more than  
15 2,000 words; and

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

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

21 (1) cross references that are confusing;

22 (2) references to terms not included in the consumer  
23 contract that are necessary to understand its material  
24 provisions;

25 (3) sentences that are of greater length than  
26 necessary;

1           (4) sentences that contain double negatives and  
2 exceptions to exceptions;

3           (5) sentences and sections that are in a confusing or  
4 illogical order;

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

8           (7) frequent use of Old English and Middle English  
9 words and Latin and French phrases.

10           Section 25. Content of contracts. A covered entity shall  
11 include a clear and conspicuous description of the terms of the  
12 contract, including the total cost of all fees and other  
13 charges or waiver of rights in connection with the transaction,  
14 in English and in the language in which the transaction was  
15 conducted.

16           Section 30. Enforcement. The Illinois Attorney General may  
17 bring an action to enforce this Act and to obtain injunctive  
18 relief in any court of competent jurisdiction not later than 5  
19 years after the date of the violation.

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

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

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

3           Section 40. Penalties. A person who knowingly violates the  
4           requirements of Section 20 shall be liable to the consumer for  
5           the following:

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

8           (2) statutory damages of the lesser of \$1000 or the  
9           total amount of the contract;

10          (3) court costs;

11          (4) reasonable attorney's fees; and

12          (5) any equitable and other relief ordered by the  
13          court.

14          Section 99. Effective date. This Act takes effect upon  
15          becoming law."