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Act No. 74 (S.18). Consumer protection; unconscionable contracts

An act relating to consumer justice enforcement

This act restricts the use of unconscionable terms in standard form contracts. Based on the Model State Consumer and Employee Justice Enforcement Act, a model statute developed by the National Consumer Law Center, the act establishes a rebuttable presumption that certain types of contractual terms are on their face unconscionable in standard form contracts. The presumptively unconscionable terms are: (1) a requirement that legal claims take place in an inconvenient venue, (2) a waiver of the right to a jury trial or to bring a class action, (3) a waiver of the right to seek punitive damages, (4) a requirement that limits the time in which an individual can bring an action to less than the time allowed by the statute of limitations, and (5) a requirement that the individual pay fees and costs to bring a claim substantially higher than what the courts would require.

Effective Date: October 1, 2020