
SENATE BILL 6081

State of Washington

68th Legislature

2024 Regular Session

By Senators Kuderer and Stanford

1 AN ACT Relating to plain language requirements for consumer
2 contracts; and adding a new section to chapter 19.86 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 19.86
5 RCW to read as follows:

6 (1) Except as provided in subsection (2) of this section, every
7 consumer contract must be written in plain language and must be
8 appropriately divided and captioned by its various sections.

9 (2) Subsection (1) of this section does not apply to:

10 (a) Any consumer contract for which a federal or state statute,
11 rule, or regulation prescribes standards of readability applicable to
12 the entire contract; or

13 (b) Particular words, phrases, provisions, or forms of agreement
14 specifically required, recommended, or endorsed by a state or federal
15 statute, rule, or regulation.

16 (3) A consumer contract may include technical terms to describe
17 the services or property which are the subject of the contract if the
18 terms are customarily used by consumers in connection with the
19 services or property.

1 (4) (a) Any violation of subsection (1) of this section
2 constitutes an unfair or deceptive act or practice under this
3 chapter.

4 (b) (i) In addition to the remedies provided in this chapter, a
5 court reviewing a consumer contract may reform or limit a provision
6 so as to avoid an unfair result if it finds that:

7 (A) A material provision of the contract violates subsection (1)
8 of this section;

9 (B) The violation caused the consumer to be substantially
10 confused about any of the rights, obligations, or remedies of the
11 contract; and

12 (C) The violation has caused or is likely to cause financial
13 detriment to the consumer.

14 (ii) If the court reforms or limits a provision of a consumer
15 contract, the court must also make orders necessary to avoid unjust
16 enrichment.

17 (iii) Bringing a claim for relief pursuant to subsection (1) of
18 this section does not entitle a consumer to withhold performance of
19 an otherwise valid contractual obligation.

20 (iv) No relief may be granted pursuant to subsection (1) of this
21 section unless the claim is brought before the obligations of the
22 contract have been fully performed.

23 (5) (a) In any proceeding in which civil penalties are claimed
24 from a party for a violation of subsection (1) of this section, it is
25 a defense to the claim that the party made a good faith and
26 reasonable effort to comply with subsection (1) of this section. A
27 party who has made a good faith and reasonable effort to comply with
28 subsection (1) of this section may not be assessed attorneys' fees or
29 costs of investigation in an action for violating subsection (1) of
30 this section.

31 (b) In any class action or series of class actions which arise
32 from the use by a person of a particular consumer contract found to
33 violate subsection (1) of this section, the amount of attorneys' fees
34 and costs of investigation assessed against that person and in favor
35 of the consumer class or classes may not exceed \$15,000.

36 (c) A violation of subsection (1) of this section is not a
37 defense to a claim arising from a consumer's breach of a consumer
38 contract. A consumer may recover actual damages caused by a violation
39 of subsection (1) of this section only if the violation caused the

1 consumer to be substantially confused about the rights, obligations,
2 or remedies of the contract.

3 (d) Any claim that a consumer contract violates subsection (1) of
4 this section must be raised within six years of the date the contract
5 is executed by the consumer.

6 (6) Any provision of a consumer contract which waives or attempts
7 to waive any provision of this section is void.

8 (7) This section does not affect any consumer contract executed
9 before the effective date of this section. A previously existing
10 consumer contract renewed after the effective date of this section is
11 subject to the provisions of this section. No provision for renewal
12 of a consumer contract is invalid merely because compliance with this
13 section changes the form of the renewal agreement. For the purposes
14 of this section periodic tenancies renew at the commencement of each
15 rental period.

16 (8) Unless the context clearly requires otherwise, the
17 definitions in this subsection apply throughout this section.

18 (a) "Consumer" means any individual who, primarily for personal,
19 family, or household purposes:

20 (i) Gives consideration for an interest in any services or
21 personal property, including money;

22 (ii) Transfers or authorizes a security interest on any personal
23 property; or

24 (iii) Leases residential premises for a term not exceeding three
25 years.

26 (b) "Consumer contract" means any written contract with a
27 consumer except a:

28 (i) Contract where the price, excluding interest or finance
29 charges, is more than \$50,000;

30 (ii) Contract through which a consumer mortgages an interest in
31 realty or obtains money or credit to be used to purchase or refinance
32 an interest in realty;

33 (iii) Contract in which the sale of personal property is merely
34 incidental to the sale of an interest in realty;

35 (iv) Written agreement involving a transaction in securities with
36 a broker-dealer or investment advisor registered with the federal
37 securities and exchange commission; or

38 (v) Transaction in commodities with a futures commission merchant
39 registered with the United States commodities futures trading
40 commission.

1 (c) "Plain language" means writing in a clear and coherent manner
2 using words with common and everyday meanings.

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