

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1256

H.P. 875

House of Representatives, March 31, 2009

An Act To Prohibit Predispute Mandatory Binding Arbitration Clauses in Consumer Contracts

Reference to the Committee on Business, Research and Economic Development suggested
and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FLAHERTY of Scarborough.
Cosponsored by Senator BLISS of Cumberland and
Representatives: BERRY of Bowdoinham, BRYANT of Windham, CLEARY of Houlton,
DILL of Cape Elizabeth, HUNT of Buxton, MORRISON of South Portland, SMITH of
Monmouth, STEVENS of Bangor.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 14 MRSA §5927**, as enacted by PL 1967, c. 430, is amended to read:

3 **§5927. Validity of arbitration agreement**

4 A written agreement to submit any existing controversy to arbitration or a provision
5 in a written contract to submit to arbitration any controversy thereafter arising between
6 the parties is valid, enforceable and irrevocable, save upon such grounds as exist at law or
7 in equity for the revocation of any contract. This chapter also applies to arbitration
8 agreements between employers and employees or between their respective
9 representatives, unless otherwise provided in the agreement. This section does not apply
10 to a consumer contract, which may not contain a provision mandating arbitration. For
11 purposes of this section, "consumer contract" means an agreement in which an individual
12 contracts for goods or services for personal use or consumption.

13 **SUMMARY**

14 This bill prohibits predispute mandatory binding arbitration clauses in consumer
15 contracts.