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S.P. 679

In Senate, January 8, 2020

An Act To Ensure a Consumer's Right To Repair Certain Electronic Products

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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

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DAREK M. GRANT Secretary of the Senate

Presented by Senator CARPENTER of Aroostook. Cosponsored by Representative HUBBELL of Bar Harbor and Senators: BELLOWS of Kennebec, President JACKSON of Aroostook, Representative: ZEIGLER of Montville.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 10 MRSA c. 233 is enacted to read:
3	CHAPTER 233
4	RIGHT TO REPAIR ELECTRONIC EQUIPMENT
5	<u>§1500-O. Definitions</u>
6 7	As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
8 9 10 11	1. Authorized repair provider. "Authorized repair provider" means a business that has an arrangement with an original equipment manufacturer that grants the business license to use a trade name, service mark or related characteristic for the purposes of offering repair services under the name of the original equipment manufacturer.
12 13	2. Department. "Department" means the Department of Economic and Community Development.
14 15 16 17	3. Digital electronic equipment. "Digital electronic equipment" means any product that depends for its functioning, in whole or in part, on digital electronics embedded in or attached to the product but does not include a motor vehicle, as defined in Title 29-A, section 101, subsection 42, or any part of a motor vehicle.
18 19 20 21	4. Embedded software. "Embedded software" means any programmable instructions provided on firmware included with digital electronic equipment for the purpose of equipment operation, including all patches and fixes to that software that are offered or included by the original equipment manufacturer for this purpose.
22 23 24	5. Fair and reasonable terms. "Fair and reasonable terms" means a price for digital electronic equipment, information or tools that is fair and reasonable based on the following factors:
25 26 27	A. The net cost to the authorized repair provider for similar digital electronic equipment, information or tools obtained from an original equipment manufacturer, less any discounts, rebates or other incentive programs;
28 29 30 31 32	B. The cost to the original equipment manufacturer of preparing and distributing the digital electronic equipment, information or tools, excluding any research and development costs incurred in designing and implementing, upgrading or altering the product, but including amortized capital costs for the preparation and distribution of the digital electronic equipment, information or tools;
33 34	C. The price charged by other original equipment manufacturers for similar digital electronic equipment, information or tools;
35 36 37	D. The price charged by other original equipment manufacturers for similar digital electronic equipment, information or tools prior to the launch of original equipment manufacturer websites;

1 E. The ability of aftermarket technicians or shops to afford the digital electronic 2 equipment, information or tools; 3 F. The means by which the digital electronic equipment, information or tools are 4 distributed: 5 G. The extent to which the digital electronic equipment, information or tools are used, including the number of users and frequency, duration and volume of use; and 6 H. Inflation. 7 6. Independent repair provider. "Independent repair provider" means a business 8 operating in this State that is not affiliated with the original equipment manufacturer of 9 digital electronic equipment or that original equipment manufacturer's authorized repair 10 provider and is engaged in the diagnosis, service, maintenance or repair of that digital 11 electronic equipment. 12 13 7. Original equipment manufacturer. "Original equipment manufacturer" means a business that, in the ordinary course of its business, is engaged in selling or leasing new 14 15 digital electronic equipment or parts of equipment to an individual or business in this State and is engaged in the diagnosis, service, maintenance or repair of that equipment. 16 17 8. Owner. "Owner" means an individual or business that owns or leases a digital 18 electronic product purchased or used in this State. 9. Service parts. "Service parts" means any replacement parts for digital electronic 19 equipment, either new or used, made available by the original equipment manufacturer to 20 an authorized repair provider for repairing the digital electronic equipment. 21 10. Trade secret. "Trade secret" means anything tangible or intangible or 22 electronically stored or kept that constitutes, represents, evidences or records intellectual 23 property, including secret or confidentially held designs, processes, procedures, formulas, 24 25 inventions or improvements or secret or confidentially held scientific, technical, 26 merchandising, production, financial, business or management information, or anything within the definition of "trade secret" under 18 United States Code, Section 1839(3), as in 27 effect on January 1, 2019. 28 29 §1500-P. Right to repair 30 1. Requirement for original equipment manufacturers to make diagnostic and repair information and parts available. An original equipment manufacturer of digital 31 electronic equipment sold or used in this State shall: 32 33 A. Make available diagnostic and repair information, including technical updates for repairs and updates and corrections to embedded software, to an independent repair 34 provider or an owner at no charge or in the same manner as the original equipment 35 manufacturer makes such information available to its authorized repair provider; and 36 B. Make service parts, including updates to the embedded software of the service 37 38 parts, available for purchase upon fair and reasonable terms by an owner, the owner's 39 authorized agent or an independent repair provider working on the digital electronic 40 equipment.

1 2. Requirement for original equipment manufacturers to make diagnostic and 2 repair tools available for purchase. An original equipment manufacturer of equipment 3 sold or used in this State shall make available for purchase by owners and independent 4 repair providers all diagnostic repair tools incorporating the same diagnostic, repair and remote communications capabilities that the original equipment manufacturer makes 5 available to its own repair or engineering staff or any authorized repair provider. An 6 7 original equipment manufacturer shall offer the tools for sale to owners and to 8 independent repair providers upon fair and reasonable terms. An original equipment 9 manufacturer that provides diagnostic repair information to aftermarket tool, diagnostics or 3rd-party service information publications and systems is not responsible for the 10 content and functionality of aftermarket tool, diagnostics or 3rd-party service information 11 publications not provided by the original equipment manufacturer. 12

3. Sale of equipment used for security-related functions. Original equipment manufacturer equipment or parts sold or used in this State for the purpose of providing security-related functions must include diagnostic, service and repair information necessary to reset a security-related electronic function with information provided to owners and independent repair facilities, or the original equipment manufacturer shall make that information obtainable by owners and independent repair facilities through the appropriate secure data release systems.

4. Nonapplicability to trade secrets. This section may not be construed to require
 an original equipment manufacturer to divulge a trade secret.

22 5. Effect on original equipment manufacturer agreements. This section may not 23 be interpreted to abrogate, interfere with, contradict or alter the terms of an agreement 24 executed and in force between an authorized repair provider and an original equipment manufacturer, including, but not limited to, the performance or provision of warranty or 25 recall repair work by an authorized repair provider on behalf of an original equipment 26 27 manufacturer pursuant to an authorized repair agreement, except that any provision in the agreement that purports to waive, avoid, restrict or limit an original equipment 28 manufacturer's compliance with this section is void and unenforceable. 29

- 6. Nonapplicability to nondiagnostic and repair information. This section may
 not be construed to require an original equipment manufacturer or authorized repair
 provider to provide an owner or an independent repair provider access to nondiagnostic
 and repair information provided by an original equipment manufacturer to an authorized
 repair provider pursuant to the terms of an authorizing agreement.
- 7. Notification to owners. An independent repair provider that purchases or
 acquires embedded software or service parts shall, prior to performing any services on
 digital electronic equipment, notify the owner of the equipment in writing that:
- A. The independent repair provider is not an authorized repair provider for the digital
 electronic equipment;
- 40B. The owner should review the terms and conditions of the warranty for the digital41electronic equipment and that repairs not performed by an authorized repair provider42could affect the terms and conditions of the warranty;

- 1 <u>C. A warrantor cannot require that only parts manufactured by the original</u> 2 equipment manufacturer be used with the product in order to retain the warranty;
- D. A warrantor is required to demonstrate that a defect or damage was caused by the
 independent repair provider in order to affect the warranty; and
- 5 <u>E. A warrantor is governed by the federal Magnuson-Moss Warranty Federal Trade</u> 6 <u>Commission Improvement Act.</u>

7 §1500-Q. Duties of the department

8 <u>The department shall develop, establish and implement a public outreach campaign</u>
 9 <u>directed at independent repair providers, owners and original equipment manufacturers to</u>
 10 <u>inform them of their rights and responsibilities under this chapter.</u>

11 §1500-R. Violations

- 12 <u>A violation of this chapter constitutes an unfair or deceptive act or practice in</u> 13 <u>violation of Title 5, chapter 10.</u>
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SUMMARY

15 This bill establishes a consumer's right to repair electronic devices, excluding motor It requires manufacturers of electronic equipment to make available the 16 vehicles. information and equipment necessary for diagnosis and repair of electronic equipment 17 18 problems. It prohibits original equipment manufacturers from limiting access to diagnostic equipment and tools to authorized repair providers and requires manufacturers 19 to make this information and equipment available to independent repair providers under 20 fair and reasonable terms. The bill provides that a violation constitutes an unfair trade 21 22 practice.