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Bill Analysis

Version: As Introduced

Primary Sponsor: Reps. Lorenz and Daniels

Nick Thomas, Research Analyst

SUMMARY

- Exempts the sale of consumer goods service contracts or related goods or services from the Home Solicitation Sales Act.

DETAILED ANALYSIS

The bill exempts consumer goods service contracts, as well as related goods and services from the Home Solicitation Sales Act (HSSA).¹ The HSSA provides certain protections to consumers with regard to home solicitation sales, commonly referred to as “door-to-door” sales. The primary components of the HSSA are:

- A three-day cooling-off period during which a consumer may cancel any contract entered into pursuant to a home solicitation sale;²
- A required notification of the right of a consumer to cancel during the cooling-off period;³
- The designation of a seller’s failure to comply with the requirements of the HSSA as a deceptive act or practice under the Consumer Sales Practices Act (CSPA).⁴
- The authority for the Attorney General to bring an action against a seller who commits a deceptive act or practice, including an injunction or civil penalty;
- The authority for consumers to sue a seller who commits a deceptive act or practice.⁵

¹ R.C. 1345.21(F)(7).

² R.C. 1345.22(A), not in the bill.

³ R.C. 1345.23(B), not in the bill.

⁴ R.C. 1345.02 and 1345.28, not in the bill.

⁵ R.C. 1345.02, 1345.06, 1345.07, and 1345.09, not in the bill.

Continuing law, unchanged by the bill, defines a “consumer goods service contract” as being a contract or agreement to perform or pay for repairs, replacement, or maintenance of consumer goods due to a defect in materials or workmanship, normal wear and tear, power surges, or accidental damage from handling, that is effective for a specific duration and paid for by means other than the purchase of the consumer good. An example of a consumer goods service contract would be a contract in which a company agrees to provide technical support and repairs for a personal computer for a set period of time.

“Consumer goods service contract” does not include any of the following:

- A motor vehicle service contract;
- A vehicle protection product;
- A contract for the repair or replacement of all or any part of any structural component, appliance, or system of a home, which would include items such as dishwashers, roofs, or HVAC systems;
- A motor vehicle ancillary product protection contract;
- A contract for prepaid, routine scheduled maintenance only.⁶

Those contract types excluded from the definition of consumer goods service contract would still be subject to the HSSA. The only exception to this would be goods or services provided by an automobile dealer or salesperson licensed by the Registrar of Motor Vehicles, as those products are already exempted from the HSSA.⁷

Note that it is unclear exactly to what extent the bill exempts “goods or services” related to consumer goods service contracts from the HSSA. A good or service sold along with a consumer goods service contract would likely be exempt. Extending the example above, if a computer was sold along with a service contract via door-to-door sales, both the computer and the contract would be likely exempt from the HSSA’s requirements. However, it is unclear whether selling such a good independent of the service contract would still be exempt from the HSSA.

HISTORY

Action	Date
Introduced	08-05-25

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⁶ R.C. 3905.423(A)(3), not in the bill.

⁷ R.C. 1345.21(F)(5).