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H.B. 244
133rd General Assembly

Bill Analysis

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Version: As Reported by House Commerce & Labor

Primary Sponsors: Reps. Hillyer and Ingram

Andrew Little, Attorney

SUMMARY

- Increases the allowable amount of time for performance of certain credit services contracts to one year, from current law's 60-day cap, so long as the bill's new requirements are met.

DETAILED ANALYSIS

A "credit services organization" is any person (including entities defined as persons under the law, such as corporations or limited liability companies) who provides any of the following services for compensation, or who advertises any of those services:

1. Improving a buyer's credit record, history, or rating;
2. Obtaining credit for a buyer;
3. Providing advice or assistance in connection with items one or two;
4. Removing adverse credit information, that is accurate and not obsolete, from a buyer's credit record, history, or rating;
5. Altering a buyer's identification to prevent the display of the buyer's credit record, history, or rating.¹

Under continuing law, contracts between a credit services organization and a buyer must be in writing and include certain terms and disclosures. One of the required disclosures is the estimated length of time necessary to provide the services, which current law caps at 60 days.

¹ R.C. 4712.01(C), not in the bill.

The bill allows contracts that are exclusively for the services mentioned in items 1 and 4, to be performed over a one-year period, so long as the contract meets four requirements:

1. The buyer must agree to make periodic payments during the contract term.
2. The buyer must be able to cancel the contract at any time without penalty or future obligation.
3. The buyer's explicit, affirmative, and documented assent is provided before the contract is renewed.
4. The credit services organization reviews, with the buyer, the adverse credit information on the buyer's credit report during the term of the contract.²

HISTORY

Action	Date
Introduced	05-14-19
Reported, H. Commerce & Labor	11-26-19

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² R.C. 4712.05(A)(3).