

SENATE BILL REPORT

HB 1106

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, March 30, 1999

Title: An act relating to disclosures made for prize promotions.

Brief Description: Prescribing disclosures required for prize promotions.

Sponsors: Representatives Van Luven, Conway, Wood, Clements, Lisk and Esser.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 3/18/99, 3/30/99 [DP].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Shin, Vice Chair; Benton, Gardner, Hale, Heavey, T. Sheldon, West and Winsley.

Staff: Susan Jones (786-7784)

Background: Businesses that use promotional advertising to attract customers must comply with certain disclosure requirements when making a promotional offer. A promotional offer involves a program, sweepstakes, contests, direct giveaway, or solicitation. The offer may be in the form of a written notice that offers products, services, or property based on a representation that the consumer has been or will be awarded a prize. The offer to the consumer must identify the promoter and the retail value of the prize offered. The person may need to attend a sales presentation or meet with a salesperson to claim a prize.

If attendance at a sales presentation is required to claim a prize, that fact must be conspicuously disclosed on the first page of the offer. If the prize is contingent upon restrictions or qualifications, such as restrictions on travel dates, accommodations or travel times, the restrictions or qualifications must be disclosed on the same page with the first listing of the prize. Alternately, the statement, [m]ajor restrictions may apply to the use, availability, or receipt of the prize(s) awarded,– may be substituted and printed in direct proximity to the prize, followed by a disclosure indicating where these restrictions can be found in the offer.

Summary of Bill: If attendance at a sales presentation is required to claim a prize, that fact must be conspicuously disclosed in bold-face type on the offer, along with other restrictions or qualifications. However, if the requirement of attendance and other restrictions are not on the same page with the first listing of the prize, then the statement, [d]etails and qualifications for participation in this promotion may apply,– must be printed in direct

proximity to the prize, followed by a disclosure indicating where these restrictions can be found in the offer.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: No one.