

HOUSE BILL ANALYSIS

HB 2785

Brief Description: Prescribing disclosures required for prize promotions.

Sponsors: Van Luven, McMorris, Honeyford, Gardner, Cairnes, Sheahan and Morris.

Hearing: January 29, 1998

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, 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 individual has been or will be awarded a prize. The person may need to attend a sales presentation or meet with a salesperson to claim a prize.

The offer to the consumer must contain information about the promoter and the value of the prize offered. If a sales presentation is required to receive a prize, that fact must be conspicuously displayed on the same page as the first listing of the prize. If the prize involves travel and is contingent on restrictions or qualifications, including restriction on travel dates, accommodations or travel times, any restrictions must be disclosed on the same page.

The sale and promotion of timeshares is regulated under laws administered by the Department of Licensing. Timeshare offers must be registered before any advertising may take place. Advertisements must be filed with and approved by the director of the department at least a week before advertising begins.

SUMMARY OF BILL:

For promotional offers made by a person promoting timeshares and where the offer consists of more than one communication to a person, the required disclosures need not be made in each communication if certain conditions are met. The disclosure must be made in a single writing at least once before a person travels to participate in a sales presentation. All references, including telephone voice recordings, computer transmission and written advertisements, that include the offer must be filed with the Director of the Department of

Licensing as required under the law governing promotion of timeshares.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.