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**SUBSTITUTE HOUSE BILL 2785**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Van Luven, McMorris, Honeyford, Gardner, Cairnes, Sheahan and Morris)

Read first time 02/05/98. Referred to Committee on .

1 AN ACT Relating to disclosures made for prize promotions; and  
2 amending RCW 19.170.030.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.170.030 and 1991 c 227 s 3 are each amended to read  
5 as follows:

6 (1) The offer must identify the name and address of the promoter  
7 and the sponsor of the promotion.

8 (2) The offer must state the verifiable retail value of each prize  
9 offered in it.

10 (3)(a) If an element of chance is involved, each offer must state  
11 the odds the participant has of being awarded each prize. The odds  
12 must be expressed in Arabic numerals, in ratio form, based on the total  
13 number of prizes to be awarded and the total number of offers  
14 distributed.

15 (b) If the promotion identified in the offer is part of a  
16 collective promotion with more than one participating sponsor, that  
17 fact must be clearly and conspicuously disclosed.

18 (c) The odds must be stated in a manner that will not deceive or  
19 mislead a person about that person's chance of being awarded a prize.

1 (4) The verifiable retail value and odds for each prize must be  
2 stated in immediate proximity on the same page with the first listing  
3 of each prize in type at least as large as the typeface used in the  
4 standard text of the offer.

5 (5) If a person is required or invited to view, hear, or attend a  
6 sales presentation in order to claim a prize that has been awarded, may  
7 have been awarded, or will be awarded, the requirement or invitation  
8 must be conspicuously disclosed to the person in the offer in type at  
9 least as large as the typeface used in the standard text of the offer  
10 on the first page of the offer.

11 (6) No item in an offer may be denominated a prize, gift, award,  
12 premium, or similar term that implies the item is free if, in order to  
13 receive the item or use the item for its intended purpose the intended  
14 recipient is required to spend any sum of money, including but not  
15 limited to shipping fees, deposits, handling fees, payment for one item  
16 in order to receive another at no charge, or the purchase of another  
17 item or the expenditure of funds in order to make meaningful use of the  
18 item awarded in the promotion. The payment of any applicable state or  
19 federal taxes by a recipient directly to a government entity is not a  
20 violation of this section.

21 (7) If the receipt of the prize is contingent upon certain  
22 restrictions or qualifications that the recipient must meet, or if the  
23 use or availability of the prize is restricted or qualified in any way,  
24 including, but not limited to restrictions on travel dates, travel  
25 times, classes of travel, airlines, accommodations, travel agents, or  
26 tour operators, the restrictions or qualifications must be disclosed on  
27 the offer in immediate proximity on the same page with the first  
28 listing of the prize in type at least as large as the typeface used in  
29 the standard text of the offer or, in place thereof, the following  
30 statement printed in direct proximity to the prize or prizes awarded in  
31 type at least as large as the typeface used in the standard text of the  
32 offer:

33 "Major restrictions may apply to the use, availability, or  
34 receipt of the prize(s) awarded."

35 This statement must be followed by a disclosure, in the same size  
36 type as the statement, indicating where in the offer the restrictions  
37 may be found. The restrictions must be printed in type at least as  
38 large as the typeface used in the standard text of the offer.

1 (8) If a prize will not be awarded or given unless a winning  
2 ticket, the offer itself, a token, number, lot, or other device used to  
3 determine winners in a particular promotion is presented to a promoter  
4 or a sponsor, this fact must be clearly stated on the first page of the  
5 offer.

6 (9) If the offer is made by a promoter, as defined in chapter 64.36  
7 RCW, as part of a promotion consisting of more than one communication  
8 to a person, the disclosures required in this section need not be made  
9 in each communication if:

10 (a) The required disclosures and the offer are made in a single  
11 writing at least once before the person travels to a place where a  
12 sales presentation is made;

13 (b) All references to the offer are made in a communication that  
14 has been filed with the office of the director as required by RCW  
15 64.36.310, including but not limited to such communication media as  
16 telephone automated voice recordings, computer transmissions, and  
17 written advertisements; and

18 (c) The first written communication from the promoter to a  
19 particular person contains the following statement: "Restrictions may  
20 apply to the use, availability, or receipt of the prize(s) awarded.  
21 You may request further information on these restrictions at any time."

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