

SENATE BILL REPORT

SB 5124

As Passed Senate, March 5, 1999

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

Brief Description: Prescribing disclosures required for prize promotions.

Sponsors: Senators Prentice and Winsley.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 1/28/99, 2/4/99 [DP].

Passed Senate, 3/5/99, 46-0.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Deccio, Gardner, Hale, Rasmussen, 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 individual 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 receive a prize, that fact must be conspicuously displayed on the first page of the offer. If the prize is contingent upon restrictions or qualifications, including 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 receive a prize, that fact must be conspicuously displayed 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: This is a simplification of a more complex bill from last year. This is a compromise worked out with the Attorney General's Office. This change allows promoters to use the back side of the promotional materials to make certain disclosures. A new optional statement is more familiar and alerts the consumer to restrictions. This new statement allows for clear and concise disclosure without turning off people who are genuinely interested.

Testimony Against: None.

Testified: PRO: J. Thomas Richardson, Cairncross & Hempelmann, P.S., Trendwest Resorts.