

# HOUSE BILL REPORT

## HB 1064

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**As Reported by House Committee On:**  
Business & Financial Services

**Title:** An act relating to locksmith services.

**Brief Description:** Concerning regulation of locksmith services.

**Sponsors:** Representatives Kirby, Blake, Stanford and Ryu.

**Brief History:**

**Committee Activity:**

Business & Financial Services: 1/16/15, 1/20/15 [DPS].

**Brief Summary of Substitute Bill**

- Prohibits businesses that primarily provide locksmith services from misrepresenting their geographic location in their business name or in their listing of a local telephone number in a directory or on an Internet website.
- Requires businesses that primarily provide locksmith services to display either their business license number or their Unified Business Identifier (UBI) account number on their website and on all advertising.
- Exempts businesses that provide locksmith services but not as a primary part of their business.

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### HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake, Hurst, Kochmar, McCabe, Santos and Stanford.

**Minority Report:** Do not pass. Signed by 1 member: Representative G. Hunt.

**Staff:** Linda Merelle (786-7092).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Consumer Protection Act (CPA) prohibits unfair methods of competition or unfair or deceptive practices in the conduct of any trade or commerce. The CPA may be enforced by private legal action or through a civil action by the Attorney General. Any person injured by a violation of the CPA may seek actual damages, costs, and attorney's fees. The court may triple the amount of damages awarded but it may not exceed \$25,000.

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**Summary of Substitute Bill:**

Locksmiths whose primary business is to provide locksmith services are prohibited from misrepresenting their geographic location by listing a local telephone number in a local telephone directory or on an Internet website if calls to the number are routinely forwarded to a location outside the calling area covered by the directory and the listing fails to conspicuously disclose the locality and state in which the business is located.

Those whose primary business is providing locksmith services are also prohibited from listing a business name in a local telephone directory or an Internet website if the name misrepresents the geographic location of the business and the listing fails to disclose the locality and state of the business. Further, these locksmiths must conspicuously display either the business license number or the UBI account number on the business website and all advertising.

Violations of the prohibitions of this act are considered unfair or deceptive acts in trade or commerce and an unfair method of competition.

The requirements and prohibitions under this bill do not apply to businesses that provide locksmith services but not as their primary business, which may include businesses that provide roadside or towing services.

**Substitute Bill Compared to Original Bill:**

The prohibitions and requirements of the bill only apply to businesses that provide locksmith services as their primary business. They do not apply to businesses for which locksmith services are ancillary to the primary business. Those businesses that primarily provide locksmith services must display either their business license number or UBI account number on business websites and all advertising.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Industry has been overwhelmed by sophisticated and unscrupulous persons who represent themselves as locksmiths. They create websites in almost every metropolitan area to make it appear that they operate out of that metropolitan area, but they are primarily located in Florida and Texas. Most addresses that are provided for these businesses are United Postal Service stores, restaurants, and vacant lots. They advertise low rates but in the end charge higher fees. The charges may show up on the consumer's credit card bill as originating from a legitimate business, even though the legitimate business knew nothing of the transaction. The individuals who pose as local locksmiths are difficult to chase because they move from one jurisdiction to another. Sixteen states have tried various methods to control this activity. The logic of the bill is to make it more difficult for the scam artists to misrepresent themselves and to make it easier for the consumer to determine who is local. An amendment to require locksmiths to prominently include their UBI number in all advertising would strengthen the bill and potentially make enforcement easier. If there are more teeth in the law, the Office of the Attorney General will have better tools to go after the ones that they are able to find and potentially join with other states to pursue violators.

(Opposed) None.

**Persons Testifying:** Representative Kirby, prime sponsor; Jim Rich, Guardian Security/Northwest Locksmith Association; Jeffrey Trinin, Always Safe & Lock, Inc.; Cindy Copper, Advantage Lock & Key; and Rebecca Podszus, Office of the Attorney General.

**Persons Signed In To Testify But Not Testifying:** None.