

SENATE BILL REPORT

SB 6265

As Reported by Senate Committee On:
Labor & Commerce, January 30, 2024

Title: An act relating to protecting a consumer's right to coupon and sale prices offered by grocery stores.

Brief Description: Protecting a consumer's right to coupon and sale prices offered by grocery stores.

Sponsors: Senators Conway, Keiser, Hasegawa, Hunt, Kuderer, Nobles, Saldaña and Valdez.

Brief History:

Committee Activity: Labor & Commerce: 1/23/24, 1/30/24 [DPS, DNP].

Brief Summary of First Substitute Bill

- Requires certain larger grocery establishments post a sign at the checkout register in a location conspicuous to consumers stating that any coupons or reduced sales prices posted in the store or offered through electronic mediums are available and will be honored upon request even if the consumer has not signed up for the electronic medium.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 6265 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; Hansen and Stanford.

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; Braun, MacEwen and Schoesler.

Staff: Susan Jones (786-7404)

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

Background: A rebate is an offer to provide cash, credit, or credit towards future purchases, that is offered to consumers who acquire or purchase a specified product or service and that is conditioned upon the customer submitting a request for redemption after satisfying the terms and conditions of the offer. Rebate does not include any discount from the purchase price that is taken at the time of purchase; any discount, cash, credit, or credit towards a future purchase that is automatically provided without submitting a redemption request; or any refund that may be given under a company's return, guarantee, adjustment, or warranty policies, or any company's frequent shopper customer reward program.

Any person who offers a consumer rebate must allow a minimum of 14 days from the date the consumer purchases the product, or becomes eligible for the rebate upon satisfying the terms and conditions of the offer, for the submission of a request for redemption by the customer. After receipt of a request for redemption meeting the terms and conditions of the rebate offer, the person offering the rebate must transmit the rebate funds to the consumer within 90 days.

A violation of the laws related to rebates is considered an unfair and deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Consumer Protection Act (CPA).

A person injured by a violation of the CPA may bring a civil action for injunctive relief, recovery of actual damages, and reasonable attorneys' fees. Under certain circumstances, a court may increase awarded damages up to three times the actual damages sustained. The attorney general may investigate and prosecute claims under the CPA on behalf of the state or individuals in the state.

Summary of Bill (First Substitute): A grocery establishment must post a sign at the checkout register in a location conspicuous to consumers stating that any coupons or reduced sales prices posted in the store or offered through electronic mediums are available and will be honored upon request even if the consumer has not signed up for the electronic medium.

Grocery establishment means a retail store in Washington with over 15,000 square feet in size and that sells primarily household foodstuffs for off-site consumption including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, or prepared foods. Other household supplies or other products must be secondary to the primary purpose of food sales.

Violations of the requirement to credit any coupons or charge the reduced sales prices are considered violations of the CPA.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Provides that a grocery establishment must post a sign at the checkout register in a location conspicuous to consumers stating that any coupons or reduced sales prices posted in the store or offered through electronic mediums are available and will be honored upon request even if the consumer has not signed up for the electronic medium; this is rather than requiring the establishment to credit the coupons or charge the reduce prices.

Appropriation: None.

Fiscal Note: Requested on January 24, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill. *The committee recommended a different version of the bill than what was heard.* PRO: Some of large grocers are requiring people to go on line to access coupons. This impacts seniors and others that cannot go online. Food is a necessity. Some grocers allow you to use a loyalty card. Having to go online to get the coupon is discriminatory.

CON: The size requirements in the definition don't exclude most groceries. Some larger chains offer online coupons. A lot of times coupons are from the manufacturer and they need to be scanned to get reimbursed.

Grocers offer a variety of programs. Not all programs are designed for all consumers. These are marketing plans to bring them into the stores. Most grocers allow the discount if you let them know you are aware of the discount. The programs are not meant to be equal. There is a uniqueness to the programs. Grocers work with individual customers if the customers bring the coupons to the grocer's attention.

Persons Testifying: PRO: Senator Steve Conway, Prime Sponsor.

CON: Brandon Houskeeper, NW Grocery Assoc.; Katie Beeson, WFIA.

Persons Signed In To Testify But Not Testifying: No one.