

HOUSE BILL REPORT

ESSB 5978

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to consumer rebates.

Brief Description: Establishing certain consumer rebate requirements.

Sponsors: Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Haugen and Kohl-Welles).

Brief History:

Committee Activity:

Commerce & Labor: 3/20/09, 3/25/09 [DPA].

**Brief Summary of Engrossed Substitute Bill
(As Amended by House)**

- Requires at least 14 days be allowed for the submission of a request for redemption of a consumer rebate.
- Requires that rebate funds be transmitted to a consumer within 90 days of the submission of a request for redemption of a consumer rebate.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Alison Hellberg (786-7152)

Background:

Under the Consumer Protection Act (CPA), various business practices are declared unlawful. These practices include engaging in unfair methods of competition, and unfair or deceptive acts or practices in the conduct of commerce. In addition to the acts declared unlawful by the CPA itself, other statutes elsewhere in the code declare violations of their provisions to be violations of the CPA. A party injured by a violation of the CPA may bring an action for

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.

damages. Recovery may include treble damages and reasonable attorneys' fees. In addition, the Attorney General may bring an action to restrain a person from violating the CPA.

Summary of Amended Bill:

Any person who offers a consumer rebate must allow a minimum of 14 days from the date the consumer becomes eligible for the rebate for the submission of a request for redemption by the consumer. Upon receipt of a request for redemption, the person offering the rebate must transmit the rebate funds to the consumer within 90 days. If the rebate is sent to the consumer as a check, the check must be mailed in a manner that identifies the piece of mail as the expected rebate check.

The provisions only apply to the person offering the rebate, which is the person who provides the cash, credit, or credit towards future purchases to the consumer. These provisions do not apply to a person who processes a rebate or who provides consumers with instructions or materials related to a rebate.

A violation of these provisions is a violation of the CPA.

Amended Bill Compared to Original Bill:

The requirement that rebate funds be transmitted to a consumer within 90 days to the person offering the rebate is limited by removing the requirement for the person processing the rebate. The provisions only apply to the person offering the rebate, which is the person who provides the cash, credit, or credit towards future purchases to the consumer. These provisions do not apply to a person who processes a rebate or who provides consumers with instructions or materials related to a rebate.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended 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) None.

(With concerns) If a manufacturer is offering a rebate, a retailer should not be responsible for delays in transmitting the rebate funds. The bill should be clarified so it only applies to the person offering the rebate.

(Opposed) None.

Persons Testifying: Carolyn Logue, Washington Food Industry.

Persons Signed In To Testify But Not Testifying: None.