

# HOUSE BILL REPORT

## EHB 1422

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### As Amended by the Senate

**Title:** An act relating to misrepresentation of the geographic location of floral product businesses.

**Brief Description:** Concerning misrepresentation of a floral product business's geographic location and advertising requirements for floral product businesses.

**Sponsors:** Representatives Scott, Griffey and Condotta.

#### **Brief History:**

##### **Committee Activity:**

Business & Financial Services: 2/3/15, 2/4/15 [DP].

##### **Floor Activity:**

Passed House: 3/2/15, 94-3.

Senate Amended.

Passed Senate: 4/14/15, 44-5.

#### **Brief Summary of Engrossed Bill**

- Prohibits floral businesses from misrepresenting the location of their business on an Internet website by using a local telephone number or business name that misrepresents the geographic location of the business unless the actual location is conspicuously disclosed.
- Requires floral businesses to conspicuously display either a business licenses number or a Unified Business Identified number on their business website and all advertising.

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### HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

**Majority Report:** Do pass. Signed by 11 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake, G. Hunt, Hurst, Kochmar, McCabe, Santos and Stanford.

**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.*

In 1999 the Legislature enacted provisions that prohibited florists from misrepresenting their geographic location. Under the law, where there is no conspicuous disclosure of the locality and state where the business is actually located, a floral business may not misrepresent its location by:

- listing a local telephone number in a local telephone directory if the calls to the number are routinely forwarded or otherwise transferred to a business location outside of the calling area covered by the directory; or
- listing a business name in a local telephone directory if the name misrepresents the business's geographic location.

A violation of these provisions is an unfair or deceptive act in trade or commerce and an unfair method of competition in violation of the Consumer Protection Act.

### **Summary of Engrossed Bill:**

The prohibitions enacted in 1999 remain the same with the added condition that florists are not permitted to list a local telephone number on an Internet website if calls to that number are routinely forwarded to a location that is outside of the calling area implied by the telephone number and the website fails to conspicuously disclose the locality and state where the business is located.

Florists also may not list on an Internet website, a business name that misrepresents the location of their business if the website fails to conspicuously disclose the location of the business. Florists must conspicuously display either a business license number issued by a state or local government or a state Unified Business Identifier account number on their business website and all advertising.

### **EFFECT OF SENATE AMENDMENT(S):**

#### The Senate amendment:

- provides a more specific definition of the term "local telephone number";
- provides that the exclusive penalty for violation of the chapter is a fine of up to \$250;
- clarifies that the provisions pertain only to vendors or providers of floral or ornamental products or services; and
- removes the requirement that vendors display their Unified Business Identifier account number on their website and advertising.

**Appropriation:** None.

**Fiscal Note:** Available.

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

### **Staff Summary of Public Testimony:**

(In support) A nonlocal large online business can masquerade as a local business. After receiving orders the company forwards the information to a local business which leads

customers to believe that they are ordering from a local company. If there is a problem, the customers are unable to seek any redress for poor service. Online florists take a large sum of money and give the local florist only a small amount. One particular online company has deceived many clients. These businesses skim off the top and hurt the reputations of local businesses. Nine states have already passed similar legislation to this bill. The current law prohibits the misrepresentation of a geographical location in local directories, and this bill would bring the law into the new century by adding the prohibition against misrepresentations on a website.

(Opposed) None.

**Persons Testifying:** Representative Scott, prime sponsor; Joanie Deutsch, Washington Retail Association; and Wendy Damoth, Flower Lab.

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