FINAL BILL REPORT SSB 5025

C 228 L 21

Synopsis as Enacted

Brief Description: Concerning the consumer protection improvement act.

Sponsors: Senate Committee on Law & Justice (originally sponsored by Senators Rolfes, Billig, Conway, Das, Dhingra, Hasegawa, Hunt, Keiser, Kuderer, Lovelett, Pedersen, Saldaña, Salomon, Stanford, Van De Wege, Wellman and Wilson, C.; by request of Attorney General).

Senate Committee on Law & Justice House Committee on Consumer Protection & Business

Background: The Consumer Protection Act (CPA), first enacted in 1961, prohibits unfair or deceptive practices in trade or commerce. It includes prohibitions on anti-competitive behavior and restraints on trade. The Legislature has enacted dozens of statutes covering specific areas of the marketplace, violation of which constitute per se violations of the CPA. The attorney general and private consumers can bring actions to enforce violations of the CPA.

Maximum civil penalties for violation of the CPA are as follows:

- violation of any injunction issued under the CPA—\$25,000;
- any contract, trust, or conspiracy in restraint of trade or commerce or monopolization or attempt to monopolize any part of trade or commerce—\$100,000 for an individual or \$500,000 for a corporation; and
- unfair methods of competition and unfair or deceptive acts or practices in trade or commerce—\$2,000 for each violation.

When the attorney general brings an action in the name of the state or on behalf of a private citizen to restrain a person from engaging in unlawful acts under the CPA, the court may award costs, including reasonable attorneys' fees, to the prevailing party.

Limitation of actions applies to any county or municipality in the same manner as actions brought by private parties. With limited exception however, there is no limitation to actions

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brought in the name or for the benefit of the state.

Summary: Maximum civil penalties for violation of the CPA are increased as follows:

- violation of any injunction issued under the CPA—\$125,000;
- any contract, trust, or conspiracy in restraint of trade or commerce or monopolization or attempt to monopolize any part of trade or commerce—\$180,000 for an individual or \$900,000 for a person other than an individual; and
- unfair methods of competition and unfair or deceptive acts or practices in trade or commerce—\$7,500 for each violation.

An enhanced penalty of \$5,000 shall apply to unlawful acts or practices targeting specific individuals or communities based on demographic characteristics, including age; race; national origin; citizenship or immigration status; sex; sexual orientation; presence of any sensory, mental, or physical disability; religion; veteran status; or status as a member of the armed forces.

There is no time limitation to any state action asserting a claim for civil penalties under the CPA.

By December 1, 2022, and every five years thereafter, the attorney general must evaluate the efficacy of the CPA civil penalty amounts and provide the Legislature with a report and any recommendations. This act may be known and cited as the Consumer Protection Improvement Act.

Votes on Final Passage:

Senate 31 18

House 57 41 (House amended) Senate 30 19 (Senate concurred)

Effective: July 25, 2021