

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	7 - 0 - 0
<b>Yeas:</b>	Bonamici, Galizio, Gilliam, Girod, Nelson, Riley, Holvey
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Steve Dixon, Administrator
<b>Meeting Dates:</b>	5/7, 5/9

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**WHAT THE MEASURE DOES:** Prohibits sending promotional checks that create a payment obligation once cashed. Makes violations of law an unlawful trade practice. Removes offers to lend money or extend credit from the scope of the bill.

**ISSUES DISCUSSED:**

- The use of checks as marketing tool.
- The likelihood of individuals and businesses being misled by marketing check that create a payment obligation once cashed.
- The merits of disclosure of terms with this type of check verses prohibition on use of these checks.
- Penalties for violation of this measure.

**EFFECT OF COMMITTEE AMENDMENT:** No Amendment.

**BACKGROUND:** “Live checks” or “activation checks” are generally small dollar amounts that are sent to consumers for promotional purposes. Once cashed, the check obligates the consumer to pay for subsequent goods or services. This bill adds the prohibition of “live checks” to the list of unlawful trade practices and creates a private right of action.