

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Avakian, Beyer, Gordly, Monroe, Prozanski

Nays: 0

Exc.: 0

Prepared By: Anna Braun, Administrator

Meeting Dates: 1/22, 2/19

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

ISSUES DISCUSSED:

- Difference between ‘live checks’ and ‘incentive checks’
- Inherently deceptive nature of ‘live checks’
- Need for measure

EFFECT OF COMMITTEE AMENDMENT: Removes offers to lend money or extend credit from the scope of the bill. Changes the word ‘delivered’ to ‘cause to be sent’ or ‘sent.’

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.