

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Judiciary

**REVENUE: No revenue impact****FISCAL: No fiscal impact****SUBSEQUENT REFERRAL TO:****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Channa Newell, Counsel**Meeting Dates:** 5/18

**WHAT THE MEASURE DOES:** Revises definition of “telephonic seller.” Requires person soliciting business opportunities by telephone to register as telephonic seller with Department of Justice and provide prospective purchaser with required disclosures at time of solicitation and prior to completion of sale. Defines “telephone solicitation” and “business opportunity.” Declares emergency; effective on passage.

**ISSUES DISCUSSED:****EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Individuals or companies who solicit certain sales by telephone are required to register with the Department of Justice. Sellers must disclose specific information to potential customers prior to completing a sale, such as disclosure that the person is a telephonic seller and the complete street address of the location from which the salesperson is calling.

House Bill 2383 expands the telephone solicitor registration requirements to include those who solicit “business opportunities” via telephone. Business opportunities includes selling an outlet for the purchaser’s goods or services on the Internet, or buying back goods and services, such as stuffing envelopes. The measure excludes the sale of business assets, the sale of demonstration equipment or samples, or the sale of a franchise. Under the measure, telephone sellers of business opportunities must register with the Department of Justice and provide the necessary disclosures to potential purchasers.