



## CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE  
27TH ASSEMBLY DISTRICT

MEMO

October 20, 1997

TO: Members,  
Assembly Committee on Consumer Affairs

FROM: Representative Clifford Otte, Chair *C.O.*

RE: October 23 Executive Session - *Further information*

Please find attached a copy of a summary of LRBs0173/9, the Substitute Amendment to Assembly Bill 169. The summary was prepared by the D.A.T.C.P. legal counsel.

If you have not already done so, I would greatly appreciate it if you would please let my office know if you plan to vote for LRBs0173/9, (ASA to AB 169). If you have any questions or concerns about LRBs0173/9, please contact Dan in my office, 6-8530. Thank you.

# Unfair Billing Practices and "Trial Delivery" Sales

## Assembly Substitute Amendment to Assembly Bill 169 (LRBs0173/9)

### Overview

This bill protects consumers against unfair contract and billing practices:

- It prohibits sellers from billing consumers for consumer goods or services which the consumer has not ordered.
- It regulates, but does not prohibit, "trial delivery" sales plans (e.g., mail order book clubs) to prevent unfair and deceptive practices.
- It protects consumers against unwanted "extensions" of residential lawncare contracts from one year to the next.

This bill does not affect or impair:

- Normal sales and returns of merchandise sold by retail stores and catalog sellers.
- Normal subscription contracts (e.g., newspaper or magazine subscriptions).
- Normal service contracts.
- Telecommunications and cable TV services (which are already subject to comparable regulation).
- Motor vehicle sales or leases by licensed dealers.
- Medical treatment by licensed health care providers.
- Sales plans that comply with Federal Trade Commission rules under 16 CFR 425.

## Unfair Billing Practices

Under this bill, no seller of consumer goods or services may:

- Bill a consumer for consumer goods or services that the consumer has not agreed to purchase. (Nor may the seller refer or threaten to refer the bill to a collection agency or credit reporting agency.)
- Misrepresent that the consumer's failure to reject or return an unauthorized delivery of consumer goods or services constitutes an acceptance which obliges the consumer to pay for those goods or services.
- Bill a consumer for consumer goods or services at a price higher than that previously agreed upon (e.g., under a continuing contract) unless the consumer first agrees to the price increase.
- Bill a consumer for a delivery of consumer goods or services that the seller initiates under an agreement that is no longer in effect when the seller initiates the delivery.
- Offer a consumer any prize, prize opportunity, or free or reduced price goods whose acceptance commits the consumer to receive or pay for other consumer goods or services unless the seller clearly discloses that commitment in connection with every announcement or advertisement of the prize, prize opportunity, or free or reduced price goods.

## "Trial Delivery" Sales Plans

This bill regulates, but does not prohibit, "trial delivery sales plans" such as mail order book clubs.

- A "trial delivery" means a delivery of consumer goods or services that the consumer has not yet agreed to purchase.
- A "trial delivery sales plan" means an agreement between a seller and a consumer in which the consumer authorizes the seller to make one or more "trial deliveries," and to bill the consumer for a "trial delivery" if the consumer does not return or reject it according to the agreement. A "trial delivery sales plan" does not include:
  - \* An agreement to purchase goods or services without a "trial delivery," but subject to a right of cancellation or return. (Many retailers and catalog sellers allow consumers to return purchased goods; the right to return purchased items does not make the purchase a "trial delivery" under this bill.)

- \* Goods or services delivered to the consumer in person at the seller's regular place of business.
- \* A plan that is covered by and complies with Federal Trade Commission rules under 16 CFR 425. (Current FTC rules cover some plans, but not others.)

### **Initial Disclosure**

Before a consumer enters into a "trial delivery sales plan," this bill requires the seller to disclose all material terms of the plan.

- If the seller solicits the consumer by mail, the seller must include this initial disclosure in the mail solicitation.
- If the seller makes the initial disclosure other than in writing, the seller must repeat the disclosure in writing at or before the time that the seller first makes a "trial delivery" to the consumer.

The initial disclosure must include all of the following:

- The nature of the goods or services offered.
- Minimum purchase requirements if any.
- The maximum price of the consumer goods or services included in any "trial delivery" under the plan.
  - \* The maximum price must include all postage, delivery, handling or other costs charged to the consumer.
  - \* If postage and delivery costs do not exceed those that would be charged by the U.S. postal service or a common carrier, the seller need only disclose that the consumer must pay postage or delivery charges -- and need not include the amount of those charges.
- Any obligations incurred by the consumer if the consumer fails to return or reject any "trial delivery" under the plan.
- Whether the consumer must pay return delivery costs for "trial deliveries" that the consumer rejects or returns.

- All of the following information if there may be more than one "trial delivery" under the plan:
  - \* The duration of the plan.
  - \* Whether the plan remains in effect until canceled.
  - \* The frequency of deliveries under the plan, so that the consumer can easily determine the maximum number of deliveries that may occur in any 12-month period.
- A reasonable method by which the consumer may reject or return a "trial delivery" to avoid being billed, and to avoid any other consequences that may result from a failure to reject or return the "trial delivery."
- The right of the consumer to cancel the plan at any time, subject to any disclosed minimum purchase requirements. The seller must disclose a reasonable method by which the consumer may exercise this cancellation right.

**Disclosure With Each "Trial Delivery"**

With each "trial delivery," the seller must clearly disclose all of the following in writing:

- The total price the consumer must pay for the "trial delivery" if the consumer accepts the delivery.
- Every other obligation the consumer incurs by accepting the "trial delivery."
- A reasonable method by which the consumer may reject or return the "trial delivery" to avoid being billed, and to avoid any other consequences that may result from a failure to reject or return the delivery.
- The deadline for rejecting or returning the "trial delivery." The seller must give the consumer at least 10 days to act, after the consumer receives the "trial delivery."
- A reasonable method by which the consumer may prevent the next "trial deliveries."

## **Promises to Pay Return Costs**

If a seller claims that consumers can return "trial deliveries" at the seller's expense, the seller must include a prepaid return mailer with each "trial delivery." The return mailer must include:

- The seller's return address.
- Fully prepaid return postage (or other return costs).
- Clear instructions on how to use the return mailer.

## **Prohibited Practices**

This bill prohibits a seller from:

- Misrepresenting the terms of a "trial delivery sales plan."
- Misrepresenting to a consumer that the consumer has agreed to a "trial delivery sales plan."
- Making any false, deceptive or misleading representation in the solicitation or implementation of a "trial delivery sales plan."
- Initiating a "trial delivery" or billing a consumer contrary to the terms of the "trial delivery sales plan."
- Initiating a delivery under a "trial delivery sales plan" that is no longer in effect.
- Using an automatic renewal or extension provision to extend an expiring "trial delivery sales plan."

## **Lawncare Service Contracts**

This bill protects consumers against unwanted "extensions" of residential lawncare contracts from one year to the next. Residential lawncare services include nonagricultural applications of pesticides or fertilizers, plant mowing services and plant trimming services around a consumer's residence.

- This bill prohibits a lawncare service provider from billing a consumer for services which the consumer has not agreed to purchase, or at a higher price than agreed. (See "Unfair Billing Practices" above.)

- Under this bill, no contract for residential lawncare services may be in effect for more than one year unless, in the 2nd and any subsequent year of the contract, the service provider gives the consumer a written disclosure at least 30 days before providing lawncare services under the contract in that year. The disclosure must include:
  - \* The services included under the contract, and the price and frequency of those services.
  - \* The consumer's right to cancel the contract.
- Under this bill, the consumer has a right to cancel the contract within 30 days after receiving the disclosure from the service provider.

10/20/97



## CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE  
27TH ASSEMBLY DISTRICT

MEMO

October 16, 1997

TO: Members,  
Assembly Committee on Consumer Affairs

FROM: Representative Clifford Otte, Chair

RE: October 23 Executive Session

Please find attached amendments for the executive session on October 23, 1997. I anticipate there may be some additional materials, but I wanted to get these to you as soon as possible in order to give you more time to review them. If you have any questions about the amendments, please feel free to contact our committee clerk, Dan Young.

The attached amendments are:

LRBa0808/1, AA to Assembly 157

LRBs0211/1, ASA to Assembly Bill 367

LRBa0744/1, AA to LRBs0211/1, ASA to AB 367

LRBs0173/9, ASA to Assembly Bill 169

Our last hearing included LRBs0173/4, an earlier ASA to AB 169. You received a summary of that sub, which was prepared by the DATCP. I have asked them to provide an updated summary. Meanwhile, I am attaching a brief summary of changes to the bill. These are an effort to address concerns raised at, or since, our last hearing.

I would appreciate it if you would contact Dan, at my office, if you have any concerns about LRBs0173/9, ASA to Assembly Bill 169. Thank you.



Assembly Substitute Amendment to AB 169  
(LRBs01730173/9)  
Major Changes to LRBs01730173/4

The definition of billing is expanded to include a representation that a bill has or will be referred to or referring a bill to a collection agency or credit reporting agency.

The health care exemption is narrowed. The intent of the exemption is to not create a situation where someone would not get medical attention due to any inability to first agree to pay for it. Its narrowed scope is to avoid creating an exemption to allow for the trial delivery of health care related products or services without an agreement between the consumer and seller.

Motor vehicle sales and leases by a licensed motor vehicle dealers are exempted. This is similar to the telecommunications exemption, in that there are a lot of laws on the books regulating these sales and leases.

Concern about offers that say the seller will pay return costs is addressed. These offers generally do not clearly inform the consumer how to return at no cost and are not usually very convenient for the consumer. This concern is addressed by requiring that any such offer include a pre-paid mailer, (defined in the sub), with any trial delivery that was offered with a promise to pay the return costs.

A requirement is added that with each trial delivery, the consumer must be provided a reasonable means by which to avoid receiving the next trial delivery.

Amends the civil actions by private parties to create a minimum \$200 recovery, plus the existing reasonable attorney fees, for losses due to a violation of the law.

10/16/97, by Dan Young



## CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE  
27TH ASSEMBLY DISTRICT

August 7, 1997

TO: Members,  
Assembly Committee on Consumer Affairs

FROM: Clifford Otte, Chair *C.O.*  
Assembly Committee on Consumer Affairs

RE: AB 169 - August 14<sup>th</sup> Public Hearing

Please find herewith a copy of LRBs0173/4, Substitute Amendment to AB 169 and a summary of the substitute. **Please bring these documents with you for the public hearing on August 14<sup>th</sup>.**

This substitute amendment was developed working with the Department of Agriculture, Trade & Consumer Protection. I believe that it address legitimate concerns that were raised by businesses, while still providing needed protection for consumers.

I believe that the substitute amendment is not only good for consumers, but that it protects the majority of businesses from unfair competition by competitors who would use misleading trade practices.



## CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE  
27TH ASSEMBLY DISTRICT

August 12, 1997

TO: Members,  
Assembly Committee on Consumer Affairs

FROM: Clifford Otte, Chair *C.O.*  
Assembly Committee on Consumer Affairs

RE: Bob Richards column and August 14<sup>th</sup> Public Hearing

Please find herewith a copy of the August 8<sup>th</sup> Consumer Watch column by Bob Richards. I hope that you will *please take a few minutes to read the column*, as it pertains to the issue that we will be addressing at our hearing on Thursday.

Also, a reminder: **Please do not forget to bring the documents distributed to you last Thursday, (LRBs0173/4, Substitute Amendment to AB 169 and the summary of the substitute) to the public hearing on Thursday, August 14<sup>th</sup>.**

# 'Free' pantyhose deal has a serious run in it



Richards

You'd think they'd have learned before now.

A Pennsylvania company called Hoslery Corp. of America has been getting complaints for a long time over the way they sell pantyhose.

We reported the frustrating experiences of Guy and Lucy Loftis of Madison last

October. The company eventually angered enough consumers such as the Loftis to draw the attention of 11 state attorneys general including Wisconsin's James Doyle. Now they are being forced to pay a large fine and make refunds to consumers.

The company sends coupons offering a "free" sample of "Silkies" pantyhose, complete with a scratch off card allowing consumers to choose their size and shade. What wasn't obvious to a lot of consumers is that when you accept this "free" offer, you are also agreeing to accept two more pair that you must either buy or return to the company at your own expense.

Even more aggravating, in cases such as the Loftis, was the fact that their name had been sent by one of their friends. The Loftis had never sent back a card or agreed to receive or pay for anything. Yet when the hose arrived unsolicited, they were told to pay the \$5.84 or have their account sent to a collection agency.

"All the conditions for this offer were not disclosed clearly and conspicuously enough to avoid consumer confusion," according to Doyle.

Under pressure from the group of state AG's, the company agreed to change its marketing practices, pay the eleven states a total of \$300,000, and to provide refunds to consumers.

Among the 50 recent consumer complainants in Wisconsin was Bill Oemichen, the administrator of trade and consumer protection at the Wisconsin Department of Agriculture, Trade and Consumer Protection.

The problem, Oemichen says, is that his wife did not want the future pairs of hose to be mailed, and "it would have cost about as much to mail these back to the company as the hosiery was worth."

In addition, under the terms of this continuity plan, unless someone specifically indicates that they wish to cancel, payment for one shipment automatically triggers the delivery of another shipment.

Under the terms of the settlement Hoslery Corp. of America must disclose in type size large enough for consumers to clearly see, conditions include:

- A description of what the consumer will initially receive.
- A description of what the consumer will continue to receive under the continuity plan.
- The quantity of goods the consumer will receive under the initial offering and the continuity plan.
- Any expenses that consumer will incur under the offer.

Wisconsin has a law that says unsolicited merchandise may be treated as "a gift to the recipient," but as the Loftis and the Oemichens found out, doing that may expose you to harassment from various types of collection agents and agencies. "This is a typical negative option type

offer," Oemichen says, "where the burden is placed on the consumer to say they don't want the product. Rather, we think it should be the other way around, where the company shouldn't be sending this product to the consumer unless the consumer affirmatively asks for it."

Sometimes, of course, a little bit of both occurs. A consumer accepts the "free" offer without carefully reading all the tiny print where the other conditions are located.

Consumer Watch wonders how many consumers simply paid the relatively small amount of money for this product to avoid the collection hassle — I've already heard from a few who say they have.

What do you think? There are currently regulations prohibiting this type of negative option offer in the telecommunications area. Do we need a general prohibition? Write to me at Consumer Watch, The Capital Times, P. O. Box 8060, Madison, WI 53708.

*Bob Richards is a Madison-based consumer advocate.*



## CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE  
27TH ASSEMBLY DISTRICT

August 7, 1997

TO: Members,  
Assembly Committee on Consumer Affairs

FROM: Clifford Otte, Chair *C.O.*  
Assembly Committee on Consumer Affairs

RE: AB 169 - August 14<sup>th</sup> Public Hearing

Please find herewith a copy of LRBs0173/4, Substitute Amendment to AB 169 and a summary of the substitute. **Please bring these documents with you for the public hearing on August 14<sup>th</sup>.**

This substitute amendment was developed working with the Department of Agriculture, Trade & Consumer Protection. I believe that it address legitimate concerns that were raised by businesses, while still providing needed protection for consumers.

I believe that the substitute amendment is not only good for consumers, but that it protects the majority of businesses from unfair competition by competitors who would use misleading trade practices.

# Unfair Billing Practices and "Trial Delivery" Sales

## Assembly Substitute Amendment to AB 169

### Overview

This bill protects consumers against unfair contract and billing practices:

- It prohibits sellers from billing consumers for consumer goods or services which the consumer has not ordered.
- It regulates but does not prohibit "trial delivery" sales plans (e.g., mail order book and record clubs) to prevent unfair and deceptive practices.
- It protects consumers against unwanted "extensions" of residential lawncare contracts from one year to the next.

This bill does not affect or impair:

- Telecommunications and cable TV services (which are already subject to comparable regulation).
- Normal sales and returns of merchandise sold by retail stores and catalog sellers.
- Normal subscription contracts (e.g., newspaper or magazine subscriptions).
- Normal service contracts.

### Unfair Billing Practices

Under this bill, no seller of consumer goods or services may:

- Bill a consumer for consumer goods or services that the consumer has not agreed to purchase.
- Misrepresent that the consumer's failure to reject or return an unauthorized delivery of consumer goods or services constitutes an acceptance which obliges the consumer to pay for those goods or services.
- Bill a consumer for consumer goods or services at a price higher than that previously agreed upon (e.g., under a continuing contract) unless the consumer first agrees to the price increase.

- Bill a consumer for a delivery of consumer goods or services that the seller initiates under an agreement that is no longer in effect when the seller initiates the delivery.
- Offer a consumer any prize, prize opportunity, or free or reduced price goods whose acceptance obligates the consumer to receive or pay for other consumer goods or services unless the seller clearly discloses that obligation in connection with every announcement or advertisement of the prize, prize opportunity, or free or reduced price goods.

### **"Trial Delivery" Sales Plans**

This bill regulates but does not prohibit "trial delivery sales plans" such as mail order book and record clubs.

- A "trial delivery" means a delivery of consumer goods or services that the consumer has not yet agreed to purchase.
- A "trial delivery sales plan" means an agreement between a seller and a consumer in which the consumer authorizes the seller to make one or more "trial deliveries," and to bill the consumer for a "trial delivery" if the consumer does not return or reject it according to the agreement. A "trial delivery sales plan" does not include:
  - \* Goods or services delivered to the consumer in person at the seller's regular place of business.
  - \* An agreement to purchase goods or services without a trial delivery, but subject to a right of cancellation or return. (Many retailers and catalog sellers allow consumers to return purchased goods; the right to return purchased items does not make the purchase a "trial delivery" under this bill.)
  - \* A plan that complies with Federal Trade Commission rules under 16 CFR 425. (Current FTC rules cover some plans, but not others.)

Before a consumer enters into a "trial delivery sales plan," this bill requires the seller to disclose all of the material terms of the plan. If the seller solicits the consumer by mail, the seller must include this initial disclosure in the mail solicitation. If the seller makes the initial disclosure other than in writing, the seller must repeat the disclosure in writing at or before the time that the seller first makes a "trial delivery" to the consumer. The disclosure must include all of the following:

- The nature of the goods or services offered.
- The consumer's obligations, including:
  - \* Minimum purchase requirements if any.
  - \* The maximum price of the consumer goods or services included in any "trial delivery" under the plan. The maximum price must include all postage, delivery, handling or other costs charged to the consumer. If postage and delivery costs do not exceed those that would be charged by the U.S. postal service or a common carrier, the seller need only disclose that the consumer must pay postage or delivery charges -- and need not include the amount of those charges -- in the maximum price disclosure.
  - \* Any obligations incurred by the consumer if the consumer fails to return or reject any "trial delivery" under the plan. This disclosure must be consistent with the disclosures that accompany the actual "trial deliveries" (see below).
  - \* Any obligation by the consumer to pay return delivery costs for trial deliveries that the consumer rejects or returns.
- All of the following information if there may be more than one "trial delivery" under the plan:
  - \* The duration of the plan.
  - \* Whether the plan remains in effect until canceled.
  - \* The frequency of deliveries under the plan, so that the consumer can easily determine the maximum number of deliveries that may occur in any 12-month period.
- An effective means by which the consumer may reject or return a "trial delivery" to avoid being billed, and to avoid any other consequences that may result from a failure to reject or return the "trial delivery." This disclosure must be consistent with the disclosures that accompany the actual "trial deliveries" (see below).
- The right of the consumer to cancel the plan at any time, subject to any disclosed minimum purchase requirements. The seller must also disclose an effective means by which the consumer may exercise this cancellation right.



With each "trial delivery," the seller must include a written disclosure explaining how the consumer may reject or return that delivery to avoid being billed, and to avoid any other consequences that may result from a failure to reject or return the delivery.

- The disclosure must explain the obligations that the consumer will incur if the consumer fails to reject or return the delivery.
- The seller must give the consumer at least 10 days to reject or return the delivery.
- If a rejection or return is not effective until received by the seller, the seller must disclose that fact and give the consumer at least 15 days to reject or return.

This bill prohibits a seller from:

- Misrepresenting the terms of a "trial delivery sales plan"
- Misrepresenting to a customer that the customer has agreed to a "trial delivery sales plan."
- Making any false, deceptive or misleading representation in the solicitation or implementation of a "trial delivery sales plan."
- Initiating a delivery under a "trial delivery sales plan" that is no longer in effect.
- Using an automatic renewal or extension provision to extend an expiring "trial delivery sales plan."

## **Lawncare Service Contracts**

This bill protects consumers against unwanted "extensions" of residential lawncare contracts from one year to the next. Residential lawncare services include nonagricultural applications of pesticides or fertilizers, plant mowing services and plant trimming services around a consumer's residence.

This bill prohibits a service provider from billing a consumer for services which the consumer has not agreed to purchase, or at a higher price than agreed (see above). This bill also provides that no contract for residential lawncare services may be in effect for more than one year unless, in the 2nd and any subsequent year of the contract, the service provider gives the consumer a written disclosure at least 30 days before providing lawncare services under the contract in that year. The disclosure must include:

- The services included under the contract, and the price and frequency of those services.
- The consumer's right to cancel the contract.

Under this bill, the consumer has a right to cancel the contract within 30 days after receiving the disclosure from the service provider.

8/6/97



State of Wisconsin  
Tommy G. Thompson, Governor

## Department of Agriculture, Trade and Consumer Protection

Alan T. Tracy, Secretary

2811 Agriculture Drive  
Madison, Wisconsin 53704-6777

PO Box 8911  
Madison, WI 53708-8911

*Date:* March 27, 1997

*To:* Assembly Committee on Consumer Affairs

*From:* Bill Oemichen, Administrator, Division of Trade and Consumer Protection

*Subject:* Assembly Bill AB 169 relating to Billing Practices

*mf for bello.*

I am here today to testify on behalf of the Department of Agriculture, Trade and Consumer Protection in support of proposed AB 169, relating to billing practices.

This bill represents a reasonable response to consumer concerns about the ease with which an unscrupulous business can bill customers for goods or services without the customer's knowledge. It also protects competing businesses from the unfair advantage inherent in these practices.

A significant number of consumer complaints about negative option practices are filed with the Bureau of Consumer Protection each year. The Bureau believes they are the tip of the iceberg, since consumers are less likely to file complaints about small dollar amounts. In today's climate of automated billing through credit cards and bank draws, the power of unfair billing practices is evident. Increasing bills by small amounts over a large customer base results in millions of dollars in potential revenue, with the side effect that few customers have the wherewithal to argue the matter.

Young adults and senior citizens are particularly vulnerable to negative options. Free offers result in continued shipment of goods and the consequences threatened by aggressive collection efforts make paying the bill seem like the only option.

The Department has argued on a case-by-case basis that negative option plans are deceptive practices. This proposed law is a tool which will help us assist Wisconsin consumers to shop with confidence in the marketplace.

The Department especially supports the auxiliary agreement provisions. Consumers report problems with services such as lawn care providers who automatically return the following summer unless the customer cancels in advance, or mail order clubs that lock customers into additional goods after acceptance of a reduced price offer. Under current law, many auxiliary agreements are, in fact, legal and binding. This proposed law will ensure that those agreements are reached in a clear and open manner.



TESTIMONY ON ASSEMBLY BILL 169  
ASSEMBLY COMMITTEE ON CONSUMER AFFAIRS  
STATE REPRESENTATIVE CLIFFORD OTTE  
MARCH 27, 1997

Assembly Bill 169 is an effort to deal with an issue commonly referred to as "negative billing". This term may not be the most technically accurate term to describe the problem since technically when "negative billing" occurs, there has often been some sort of "authorization". However, such authorization is often vague, misleading, or extremely open ended. In order to protect **both** the consumer and businesses, I feel that we need to address this issue.

My interest in this issue was first raised due to a constituent complaint about a magazine subscription being renewed via a credit card charge without his authorization. Perhaps the consumer was wrong and there was some sort of authorization. But, was this made clear to the consumer? In the case of this businessman, I believe not. But, this is not an isolated case. As I have learned, the State receives about 100 complaints a year relating to practices referred to as negative billing.

Such practices as renewal billing, periodic billing, and offering a free sample, can be beneficial to both consumers and businesses. But, unless the terms of such agreements are clearly spelled out, the consumer loses and, in turn businesses are hurt. Businesses lose both due to bad publicity and the fact that competitors are forced to adopt questionable billing practices in order to remain competitive.

Since introducing this bill, I have heard from both proponents and opponents of the bill. I do intend to prepare a substitute amendment to make clarifications and address legitimate concerns. As I learned when I first introduced our state's motor vehicle title branding law, an initial bill can be improved. Hopefully, today, this committee will not only hear about the problem that exists, but also positive constructive suggestions for addressing the issue. When this committee completes its work on Assembly Bill 169, I anticipate we will present the Legislature with a proposed law that will insure that consumers are protected against questionable billing practices.

DATE: April 17, 1997  
TO: Assembly Committee on Consumer Affairs  
FROM: James W. Wimmer, Jr.  
RE: AB 169

**I. INTRODUCTION**

The direct marketers of Wisconsin strongly oppose AB 169. On behalf of the Direct Marketing Association ("DMA"), including its 67 Wisconsin members, we object to the bill as drafted because it is unnecessary as it pertains to DMA members and adds a significant additional regulatory burden. The specific language of the bill is ambiguous.

**II. HISTORY**

Over the last several years, attempts have been made to create regulations similar to AB 169. The two previous efforts were proposed administrative rules by the Office of the Commissioner of Banking and the Department of Agriculture, Trade and Consumer Protection. Both efforts were dropped before the proposed rules went to public hearing after DMA and others explained their concerns with the rules.

The effort to create those rules apparently arose from various abusive practices by certain cable television and telecommunications companies several years ago. For example, in Wisconsin, TCI sent an unsolicited form to all current customers offering a "free channel" for a certain period of time. However, all customers would be billed for the service on an ongoing basis unless they took affirmative steps to reject the new service prior to the completion of the free period. The Attorney General's office commenced legal action under existing statutory authority which ultimately resolved the issue.

This was the appropriate response by the Attorney General because TCI billed customers for services they never ordered. Billing for unordered goods has long been prohibited under both state and federal law. Wis. Stat. § 241.28; 39 U.S.C. § 3009.

However, the TCI case and other cases like it involved practices that were totally different than the "negative option plans" utilized by DMA members. A negative option plan used by DMA members does **not** involve charging for unordered goods. To the contrary, it is a contractual arrangement where the customer knowingly signs up in advance to receive

goods on a periodic basis. It is a type of subscription, except the customer has the option to decline (and thus not pay for) any individual item of goods.

An example of a typical negative option plan is the Book-of-the-Month Club which has successfully serviced millions of customers over the last 70 years. A subscriber enters into an express contractual arrangement under which the Club will periodically select a book and send an announcement to the subscriber who has at least 10 days to opt not to take that selection. If the subscriber does not opt out, the book is shipped and the subscriber is billed according to the original contract.

The Book-of-the-Month Club requires the prior expressed request or consent of the customer to participate in the plan. Such plans are fair, legitimate, useful contractual arrangements. The material terms of the arrangement are disclosed to the customer. Customers understand their options and a high percentage actually exercise the option to decline some goods or to affirmatively select alternate selections. Such plans offer real convenience to consumers who wish to receive goods over time, such as current popular books, without reordering each time for individual selections. They are particularly useful for people in rural areas who do not enjoy easy access to bookstores and libraries.

### III. **PROPOSED BILL UNNECESSARY**

AB 169 is unnecessary as applied to businesses like that of DMA members. The activities of DMA members are already adequately regulated by state and federal law. We are not aware of any history of problems which would justify additional regulation.

Existing state and federal laws address potential concerns associated with sending unsolicited goods or merchandise to consumers. Wis. Stat. § 241.28 and 39 U.S.C. § 3009. Those laws provide that if unsolicited goods or merchandise are sent to a consumer, the consumer may retain them as a gift without any obligation.

Further, existing Wisconsin law generally prohibits unfair trade practices. Wis. Stat. § 100.20. That is the law under which the Attorney General successfully attacked abusive practices by TCI. See *Time Warner Cable v. Doyle*, 847 F. Supp. 635 (W.D. Wis. 1994). If real abuses are identified, existing law can address them.

Finally, negative option plans have been regulated under federal law for over 20 years. 16 C.F.R. § 425.1. That rule by the Federal Trade Commission ("FTC") has successfully and uniformly regulated the area on a national basis. There is no need for new and additional regulation at the state level.

### IV. **REGULATORY BURDEN**

The proposed rule would add a significant regulatory burden to DMA members without

any appreciable benefit to consumers.

Negative option plans are already regulated nationally by federal law. To impose a second set of regulatory requirements on a national company for a single state creates unnecessary costs which will ultimately be passed along to the consumer.

The proposed bill would impose onerous requirements on numerous merchandise and service arrangements including continuity plans. A continuity plan is a contractual arrangement under which the customer agrees to receive similar special-interest goods periodically and has the option to return them without obligation and to cancel at any time. A *Readers Digest Condensed Book* series is an example of a continuity plan. Since a customer may subscribe for many years, there is an increase in price over time. However, the customer always has the option to return the goods or cancel the subscription.

Regulation for the sake of regulation hurts Wisconsin business. Wisconsin is home to a significant direct marketing industry. There are 67 voting DMA members located in 34 Wisconsin cities. Wisconsin has over 400 direct marketing companies. Further, other Wisconsin businesses provide manufacturing, printing and distribution support. There is simply no good policy reason to saddle this sector of the private economy with additional regulations.

#### V. **AMBIGUOUS LANGUAGE**

Aside from the policy problems with the bill, the language of the bill is ambiguous. The ambiguities begin with the very first definition, i.e. "auxiliary purchase agreement," which raises several questions. Must such an agreement be separate from an "initial agreement" or can both be contained in the same agreement? Can there be an "auxiliary purchase agreement" when there is no other agreement which meets all of the requirements of an "initial agreement?" Other definitions are similarly ambiguous.

As a practical matter, a major question for DMA members is whether the term "auxiliary purchase agreement" is intended to cover insurance, travel aid services, credit cards, magazine and other subscriptions or continuity plans. A continuity plan is an arrangement with the prior express request or consent of the buyer under which similar special-interest products are shipped at regular intervals. It is similar to a subscription arrangement but there is no binding commitment period or purchase amount. The *Readers Digest Condensed Book Series* discussed above is an example of a continuity plan.

#### VI. **ALTERNATIVE APPROACH**

As an alternative to AB 169 in its current form, we propose a simpler approach as outlined below.



**A. Unordered Goods or Services.**

The most fundamental issue in this area can be addressed by the following simple provision:

It is an unfair method of competition and an unfair trade practice to bill a consumer for goods or services without the consumer's prior expressed request or consent for the goods or services, unless that goods or service is required to be provided by law or by a government regulatory agency.

**B. Federal Regulation.**

In order to avoid inconsistencies with federal regulation, the bill's scope should not include plans that are regulated by 16 C.F.R. § 425.1.

**C. Other Plans.**

All other plans and arrangements to provide goods or services on a one-time, regular, or periodic basis with the prior request or consent of the consumer shall include in a clear and conspicuous manner in promotional advertising all material terms a reasonable person would consider important including: a description of the goods or services that will be provided, the price for the goods or services, whether a shipping and handling charge is added, and whether there is a minimum commitment period or purchase amount. In the event of a price increase, the consumer must either be informed of the increase or have the right to return the goods or cancel the services billed at a higher cost.

**D. Telephone Sales.**

A verbal agreement to purchase goods or services by telephone shall provide a review period of at least 7 days and full refund or credit for returned goods or cancelled services, or prior to accepting payment, the seller shall provide a written contract to be signed by the buyer and returned to the seller.

**E. Summary.**

This alternative approach accomplishes the following:

1. Unordered merchandise or services are prohibited in Wisconsin.
2. Negative option plans are regulated in Wisconsin consistent with federal law.

3. Telephone sales require a review-return or cancel-refund privilege or a written contract signed by the consumer prior to payment.
4. One-time, regular, or periodic goods or services must include material terms in promotional advertising.
5. The consumer is either informed of a price increase or has the right to return goods or cancel services billed at a higher cost.

## VII. CONCLUSION

The proposed bill as drafted imposes an unnecessary regulatory burden on a reputable industry that has operated for 100 years and provides fair and consumer-friendly products. If the Committee believes that further regulation is appropriate, we recommend the simplified alternative approach outlined above. We would be pleased to put this in bill format for the Committee's consideration.

EP/dh  
d/ab169mem

**FISCAL ESTIMATE**

DOA-2048 (R 10/94)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No. / Adm. Rule No.  
AB 169 (-0848/2)

Amendment No. (If Applicable)

**Subject Prohibiting certain negative option billing practices for goods and services**

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget       Yes       No

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
      Permissive       Mandatory  
 2.  Decrease Costs  
      Permissive       Mandatory

3.  Increase Revenues  
      Permissive       Mandatory  
 4.  Decrease Revenues  
      Permissive       Mandatory

5. Types of Local Governmental Unit Affected:

- Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Source Affected**

- GPR       FED       PRO       PRS       SEG       SEG-S

**Affected Ch. 20 Appropriations**

20.115(1)(a) Trade & Consumer Prot.

**Assumptions Used in Arriving at Fiscal Estimate**

This bill prohibits certain negative option billing practices which are not regulated under ch. ATCP 123, Wis. Adm. Code, relating to telecommunications and cable television services. The bill requires billing practices for goods and services to conform to Federal Trade Commission (FTC) regulations under 16 CFR Part 425, and specifies other prohibited practices.

Currently, the Department receives approximately 100 consumer complaints annually regarding negative option billing practices. These include complaints on prenotification plans regulated by FTC, as well as other billing practices such as continuity plans which are outside the scope of these federal regulations. The Department addresses these complaints mostly through mediation and education outreach efforts, but would now have specific statutory authority under the bill to investigate and seek prosecution of businesses engaged in fraudulent billing practices.

Based on current experience, the Department projects that complaints regarding billing practices prohibited under the bill will double to approximately 200 per year. The Department also estimates that 20 complaints each year will require assignment to regulation compliance staff for more detailed investigation. These complaints will likely be increasingly complex, multi-jurisdictional and involve multiple victims. Assuming that approximately 10 cases each year are referred for prosecution, the Department estimates an additional workload of 1,800 hours, or 1.0 FTE regulation compliance investigator, to administer and enforce the proposed law. This is based on an average of 180 hours of investigative staff time for consumer complaint cases referred for prosecution to district attorneys or the Department of Justice.

Annualized costs associated with a regulation compliance investigator position (range 5) total \$50,700, including fringe benefits, supplies and services. One-time costs of \$2,600 would also be incurred if additional position authority is granted.

**Long - Range Fiscal Implications**

Workloads associated with investigating and enforcing prohibited billing practices are likely to increase in future years due to telemarketing trends, increasing use of computer Internet services for solicitations, and the growing involvement of order fulfillment companies as factors in billing practice complaints.

Agency/prepared by: (Name & Phone No.)

DATCP  
Tom Stoebig 224-4944

Authorized Signature/Telephone No.

*Barbara Knapp*  
Barbara Knapp (608) 224-4746

Date

3/21/97

**FISCAL ESTIMATE WORKSHEET**

**1997 SESSION**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

LRB or Bill No/Adm.Rule No.  
AB 169

Amendment No.

**Subject**

Prohibiting certain negative option billing practices for goods and services

**I. One-time Cost or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**  
\$2,600 (computer and other permanent property)

**II. Annualized Cost:**

**Annualized Fiscal Impact on State funds from:**

A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ 39,800	\$ - 0
(FTE Position Changes)	(1.0 FTE)	(- FTE)
State Operations - Other Costs	10,900	- 0
Local Assistance	0	- 0
Aids to Individuals or Organizations	0	- 0
<b>TOTAL State Costs by Category</b>	<b>\$ 50,700</b>	<b>\$ - 0</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 50,700	\$ - 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
III. State Revenues - <small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>	Increased Rev.	Decreased Rev.
GPR Taxes	\$ 0	\$ - 0
GPR Earned	0	- 0
FED	0	- 0
PRO/PRS	0	- 0
SEG/SEG-S	0	- 0
<b>TOTAL State Revenues</b>	<b>\$ 0</b>	<b>\$ - 0</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ <u>50,700</u>	\$ <u>0</u>
NET CHANGE IN REVENUES	\$ <u>0</u>	\$ <u>0</u>

Agency Prepared by: (Name & Phone No.) DATCP Tom Stoebig 224-4944	Authorized Signature/Telephone No. <i>Barbara Knapp</i> Barbara Knapp (608) 224-4746	Date 3/21/97
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FISCAL ESTIMATE  
DOA-2048 N(R10/94)

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

Subject

The prohibition of certain billing practices for goods and certain services and providing a penalty

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation
- Increase Existing Revenues
- Decrease Existing Appropriation
- Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs
  - Permissive
  - Mandatory
- 2.  Decrease Costs
  - Permissive
  - Mandatory

- 3.  Increase Revenues
  - Permissive
  - Mandatory
- 4.  Decrease Revenues
  - Permissive
  - Mandatory

5. Types of Local Governmental Units Affected:
- Towns
  - Villages
  - Cities
  - Counties
  - Others \_\_\_\_\_
  - School Districts
  - WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

s. 20.475(1)(d)

Assumptions Used in Arriving at Fiscal Estimate

This bill potentially increases the workload of district attorneys' offices by creating the authority for district attorneys to seek enforcement of the sales practice prohibitions established by the bill via the requesting in circuit court of a temporary or permanent injunction or other relief and/or bringing an action in circuit court to seek recovery of a forfeiture against a violator. The practices being prohibited are of a nature that a firm does them probably did them as a matter of course and thus the firm may have thousands or even millions of potential violations to be investigated. The Department of Agriculture, Trade and Consumer Protection (DATCP) may also do these activities and the bill is not specific as to when one agency or the other will actually have the primary responsibility for doing the work. Further, the bill requires the Department of Justice to furnish all legal services required by (DATCP) relating to the enforcement of this bill so it is possible that cases initiated by DATCP may be directed to DOJ as well as to DAs. Thus the number of cases, their degree of complexity and the agency with responsibility is uncertain.

Long-Range Fiscal Implications

Given the potential for a significant workload being placed on district attorneys' offices, the actual results of the bill if it becomes law, must be monitored carefully. Additional prosecutorial resources may ultimately be needed.

Agency/Prepared by: (Name & Phone No.)

Authorized Signature/Telephone No.

Date

DA/ Stuart Merre (608) 267-2700

*John S. Howell* 267-3836

3/12/97

FISCAL ESTIMATE  
DOA-2048 N(R10/94)

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

Subject

Billing Practice Prohibitions

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb  
X Within Agency's Budget  Yes  No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local:  No local government costs

- 1.  Increase Costs
  - Permissive
  - Mandatory
- 2.  Decrease Costs
  - Permissive
  - Mandatory

- 3.  Increase Revenues
  - Permissive
  - Mandatory
- 4.  Decrease Revenues
  - Permissive
  - Mandatory

5. Types of Local Governmental Units Affected:
- Towns
  - Villages
  - Cities
  - Counties
  - Others \_\_\_\_\_
  - School Districts
  - WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits certain billing practices for goods and services. The district attorney or DATCP may bring actions for injunctive relief or actions for the recovery of a forfeiture. Additionally, any person suffering a loss because of a violation may bring a civil action.

It is impossible to predict the number of actions that will be brought in circuit court as a result of this bill. Additional litigation requires additional judge, court reporter, and court support staff time. These are costs borne by both the state and county. The additional costs are impossible to determine with the data available.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)  
Director of State Courts

Authorized Signature/Telephone No. 6-6984

*Sheryl Sewan*

Date  
3/21/97

# FISCAL ESTIMATE WORKSHEET

1997 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10.94)

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
AB 169

Amendment No.

Subject

Billing Practices Prohibitions

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		( FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
<b>TOTAL State Costs by Category</b>		\$	\$ -
<b>B. State Costs by Source of Funds</b>			
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>III. State Revenues -</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
<b>TOTAL State Revenues</b>		\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS                      \$ + indeter.                      \$ + indeter.

NET CHANGE IN REVENUES                      \$ \_\_\_\_\_                      \$ \_\_\_\_\_

Agency/Prepared by: (Name & Phone No.) Director of State Courts	Authorized Signature/Telephone No. <i>Sheryl Sewer</i>	Date 3/21/97
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**FISCAL ESTIMATE**

DOA-2048 (R10/92)

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. <b>AB 169</b>
Amendment No. if Applicable

**Subject**

Prohibition of certain billing practices and providing a penalty

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

- Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No
- Decrease Costs

**Local:**  No local government costs

- |  |   |  |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____<br><input type="checkbox"/> School Districts <input type="checkbox"/> VTAE Districts |
| 2. Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                          | 4. Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                          |  |

**Fund Sources Affected**

- GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

Chap. 20.550 (1)(d)

**Assumptions used in Arriving at Fiscal Estimate**

This bill prohibits certain billing practices and subjects a seller who engages in these practices to a forfeiture. Enactment of this bill would not have any fiscal effect on the Office of the State Public Defender.

**Long-Range Fiscal Implications**

None.

Agency/Prepared by: (Name & Phone No.)

SPD/Gina Pruski/266-6782

Authorized Signature/Telephone No.

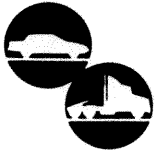
*Gina Pruski*  
Gina Pruski

266-6782

Date

03/24/97





## Wisconsin Automobile & Truck Dealers Association

GARY D. WILLIAMS  
President

150 E. Gilman Street—Suite A  
Madison, WI 53703  
(608) 251-5577 FAX: 251-4379

Mailing Address:  
P.O. Box 5345, Madison, WI 53705-0345

October 23, 1997

Representative Cliff Otte, Chair  
Wisconsin State Assembly  
Consumer Affairs Committee  
PO Box 8953  
Madison, WI 53708

Dear Representative Otte:

We have reviewed the LRBs 0173/9 version of AB169, and wish to extend our support for the bill.

Your cooperation in adhering our concerns regarding the bill was greatly appreciated. We look forward to working with you in the future.

Sincerely,

Gary D. Williams  
President



- Representative Clifford Otte, author
- Guy Lofts, Madison, husband of negative billing victim
- David Ghilardi, Department of Agriculture, Trade & Consumer Protection

Appearances against

- Gary Williams, Wisconsin Automobile & Truck Dealers Association
- Bruce Craig, Madison, self
- Jerry Hancock, Department of Justice

Appearances for Information Only

- None

Registrations for

- Senator Alice Clausing, 10th Senate District

Registrations against

- None

October 23, 1997

**EXECUTIVE SESSION**

Present: (7) Representatives Otte, Johnsrud, Ott, M. Lehman, Urban, Williams and Black.

Absent: (1) Representative Hasenohrl.

Moved by Representative Johnsrud, seconded by Representative Ott, that **Assembly Substitute Amendment 1** be recommended for introduction and adoption.

Ayes: (7) Representative Otte, Johnsrud, Ott, M. Lehman, Urban, Williams and Black.

Noes: (0) None.

Absent: (1) Representative Hasenohrl.

**INTRODUCTION AND ADOPTION RECOMMENDED, Ayes 7, Noes 0, Absent 1**

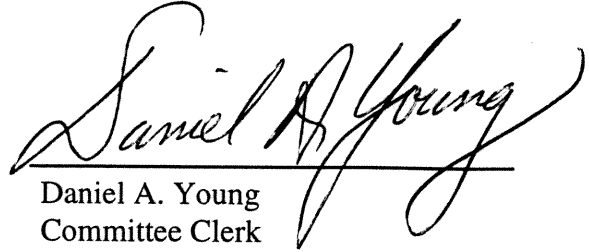
Moved by Representative Johnsrud, seconded by Representative Ott, that **Assembly Bill 169** be recommended for passage as amended.

Ayes: (7) Representatives Otte, Johnsrud, Ott, M. Lehman, Urban, Williams and Black.

Noes: (0) None.

Absent: (1) Representative Hasenohrl.

PASSAGE AS AMENDED RECOMMENDED, Ayes 7, Noes 0,  
Absent 1



Daniel A. Young  
Committee Clerk

*Assembly*

**Committee Report**

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The committee on Consumer Affairs, reports and recommends:

**Assembly Bill 169**

Relating to: the prohibition of certain billing practices for goods and certain services and providing a penalty.

By Representatives Otte, Hasenohrl, Skindrud, Notestein, Goetsch, Musser, Lorge, Hahn, Owens and Ainsworth; cosponsored by Senator Clausing.

INTRODUCTION AND ADOPTION OF ASSEMBLY SUBSTITUTE  
AMENDMENT 1, Ayes 7, Noes 0, Absent 1

Ayes: (7) Representative Otte, Johnsrud, Ott, M.  
Lehman, Urban, Williams and Black.

Noes: (0) None.

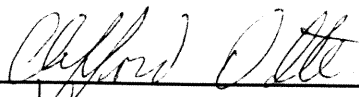
Absent: (1) Representative Hasenohrl.

PASSAGE AS AMENDED RECOMMENDED, Ayes 7, Noes 0,  
Absent 1

Ayes: (7) Representatives Otte, Johnsrud, Ott, M.  
Lehman, Urban, Williams and Black.

Noes: (0) None.

Absent: (1) Representative Hasenohrl.

  
\_\_\_\_\_  
Representative Clifford Otte  
Chair