

STATE REPRESENTATIVE • 25th Assembly District

Senate Committee on Government Operations, Technology and Consumer Protection Senate Bill 808 February 21, 2018

First of all, I would like to thank you, Chairman Stroebel and committee members, for allowing me to testify before you concerning Senate Bill 808. I agree with what Senator LeMahieu has stated.

Wisconsin's Prize Mailer statute is designed to protect consumers by providing important information when they receive notifications they have won a prize. For example, the notification must indicate the name and address of the solicitor and the retail value of each prize an individual has been selected to receive. The statute also requires disclosure of restrictions and limitations that might apply, the size type that must be used, and whether it must be bold. The law includes a variety of other important safeguards.

Protecting consumers from unscrupulous solicitations is important, and as a member of the Assembly Committee on Consumer Protection I fully support that effort.

At the same time, there is concern that some of the provisions in our statute are needlessly burdensome for businesses. As Senator LeMahieu mentioned, you will hear testimony today about how this law affects a business in our area and why the provisions in this bill are important steps forward.

These arguments have merit, and the bill is designed to address those concerns. It keeps in place important protections for consumers while also lessening the burden on organizations that use mailers as part of their marketing efforts.

I appreciate your consideration of this bill.

Thank you for this opportunity to testify before you today.



DEVIN LEMAHIEU

STATE SENATOR

Senate Committee on Government Operations, Technology and Consumer Protection Testimony on Senate Bill 808 February 21, 2018

Chairman Stroebel & Members,

Thank you for holding today's hearing on Senate Bill 808. This legislation provides clearer requirements for prize mailers while still maintaining strong consumer protections.

Many Wisconsin-based businesses mail prospective customers with information about potential prizes as part of their advertising strategy. Mailings that include a prize offer are regulated under state statute and enforced by the Department of Agriculture, Trade, and Consumer Protection.

This bill clarifies that a prize mailer offering a free prize to anyone that responds is <u>not</u> required to include a statement of odds.

Senate Bill 808 also makes other reasonable changes to requirements for prize notices:

- 1. Allows prize notices to indicate on the envelope that the recipient has been selected to receive a prize.
- 2. Eliminates the vague requirement that a prize's value and odds of receiving it must be placed in the "immediate proximity" of each place that the prize appears in the mailer. Instead, it requires this information to be stated on the first page of a prize notice.
- 3. Eases requirements for the statement of odds. Odds must still state the total number of prizes and the total number of prize mailers sent.

Nothing in the bill impacts Wisconsin state law regarding fraudulent representations. Current law still prohibits a business from making "untrue, deceptive, or misleading" advertisements. Violators of this statute are subject to civil forfeitures ranging from \$50 to \$200 for <u>each</u> unlawful mailer.

Senate Bill 808 provides important regulatory certainty for Wisconsin businesses. You will hear testimony later from a constituent. He will note how the ambiguity in current law is making compliance difficult and hurting his business.

Thank you for your consideration. I am happy to answer questions.