



PAUL TITTL

STATE REPRESENTATIVE • 25TH ASSEMBLY DISTRICT

**Assembly Committee State Affairs
Assembly Bill 296
November 6, 2019**

First of all, I would like to thank you, Chairman Swearingen and committee members, for allowing me to testify before you concerning Assembly Bill 296.

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 Vice-Chairman 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. In addition, the penalties can be very large, because they are assessed in relation to the number of pieces mailed.

Furthermore, it is oftentimes not consumers who are contacting the Department of Agriculture, Trade and Consumer Protection. Rather, it is dealers who using these provisions against competitors.

Today, you will hear testimony concerning how our current law affects auto dealers who use prize mailers and why the provisions in this bill are an important step forward.

I appreciate your consideration of this bill. It keeps in place important protections for consumers but lessens the burden on businesses using prize mailers as part of their marketing efforts.

Thank you for this opportunity to testify before you today.

I would be happy to address any questions.

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DEVIN LEMAHIEU

STATE SENATOR

Assembly Committee on State Affairs Testimony on Assembly Bill 296 November 6, 2019

Chairman Swearingen & Committee Members,

Thank you for holding today's hearing on Assembly Bill 296. This legislation provides clear requirements for prize mailers while maintaining strong consumer protections.

Many Wisconsin-based businesses mail prospective customers 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.

Wisconsin law currently requires a prize mailer to list the odds for receiving a prize next to each prize listing. This bill clarifies that a prize mailer offering a free prize to anyone that responds is not required to include a statement of odds.

Assembly Bill 296 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. However, all stated odds must still include 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 each unlawful mailer.

This bill passed out of the Senate Committee on Government Operations, Technology and Consumer Protection with a vote of 4-1 and passed out of the Senate yesterday with a voice vote.

Assembly Bill 296 provides important regulatory certainty for Wisconsin businesses. You will hear testimony later from the Wisconsin Auto and Truck Dealers Association as well as one of my constituents, who will outline how the ambiguity in current law is making compliance difficult and hurting businesses.

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